

THE WEATHER — PARIS: Monday, cloudy with showers. Temp: 51-54 (12-15°C). LONDON: Monday, rain with strong winds. Temp: 50-52 (14-15°C). CHANNEL: Moderate to rough. ROME: Monday, rain with strong winds. Temp: 51-53 (13-15°C). FRANKFURT: Monday, rain with strong winds. Temp: 50-52 (13-15°C). NEW YORK: Monday, partly cloudy, Temp: 51-54 (12-15°C).

ADDITIONAL WEATHER DATA — PAGE 12

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PARIS, MONDAY, MARCH 1, 1982

Established 1857

U.S. Eases Curbs On S. Africa Trade

Sales of Nonmilitary Goods to Police
And Armed Forces Is Seen Possible

By William Chapman
and John M. Goshko
Washington Post Service

WASHINGTON — The Reagan administration has relaxed restrictions on trade with South Africa, and congressional and State Department sources said this could open the door for sales by U.S. companies of nonmilitary goods to that country's military and police forces.

In another trade-related move that has a background of controversy, the administration also acted to remove Iraq from the list of countries formally regarded as supporters of international terrorism, and it moved to add Cuba.

On Saturday, the State Department defended the decision Friday to relax trade restrictions with South Africa, while a leading Senate liberal condemned the move as the foreign policy equivalent of tax exemptions to segregated private schools.

Sen. Edward M. Kennedy, Democrat of Massachusetts, said that the action was supportive of South Africa's apartheid policy and the "equivalent in our foreign policy of the administration's blatant recent attempt to give tax exemptions for segregation in the United States."

The reference was to the administration's decision last month to reverse Internal Revenue Service policy of refusing tax exemptions to private schools that discriminates on the basis of race. The reversal touched off a political furor, and the administration hastily agreed to push for legislation to close off exemptions for such schools.

The State Department said that the new trade rules were intended to be "less arbitrary from the perspective of U.S. exporters" while still maintaining a "strong symbolic and practical disassociation" from the policy of apartheid, or racial separation.

It added that the new rules, which reverse a four-year-old Carter administration policy blocking sales of even nonmilitary goods to the South African government, are "at least as extensive" as trade controls maintained by other major Western nations.

The United States forbids the sale of military equipment to South Africa as part of a UN embargo.

The new regulations do not permit the sale of arms or military equipment, but congressional critics said the changes would permit the sale of nonmilitary equipment that could be converted to military use, citing as an example the sale of large transport planes to civilian airlines.

The State Department said that such sales would be permitted only on condition that the aircraft may be used for police, military or paramilitary purposes, but written assurances of this, which constituted a paperwork burden both on exporters and on the U.S. government, would no longer be required.

The new regulations are to take effect at midnight Sunday, but Congress or the administration may alter them before they become final 30 days later. The 1979 Export Administration Act requires that Congress be notified when sales of equipment with potential military use are proposed for countries on the list, a requirement that in the past has resulted in congressional moves to block some sales of this type.

The policy shifts on South Africa and Iraq emerged in a set of revised export-control regulations issued by the Commerce Department with the concurrence of the State Department.

In the case of sales to South Africa, personal computers, calculators (Continued on Page 2, Col. 2)

CIA Says Qadhafi Was Target Of Assassin

By Bob Woodward
Washington Post Service

WASHINGTON — The CIA has concluded that an assassination attempt was directed against Col. Muammar Qadhafi two months ago and that, although the Libyan leader was not seriously injured, he probably was nicked by a bullet in the jaw, according to informed officials.

News reports of the assassination attempt initially were dismissed last month, and the U.S. media gave them little or no attention. But a senior government official said last week that the CIA now has sufficient evidence to confirm the reports.

The official said that the plot was carried out by some members of Col. Qadhafi's army, probably by one or more officers who had just returned from the Libyan invasion of Chad. He said that the plot had received no external support from any foreign country, including the United States.

The attempt was understood to have been made during the last two weeks of December, shortly after the first major report surfaced in the United States about "hit squads" allegedly sent by Libya to assassinate President Reagan and other high-ranking U.S. officials.

On Dec. 6, Col. Qadhafi denied in a U.S. television interview that any such squads or individuals had been sent. "We are sure we haven't sent any people to kill Reagan or any other people in the world," he said.

A well-placed source has said that one U.S. intelligence agency has had information for several months that the Israeli intelligence service would like to have Col. Qadhafi assassinated.

Asked this week if the Israelis would assassinate the Libyan lead-

(Continued on Page 2, Col. 7)



United Press International
A group of passengers, lower right, leaves a hijacked Tanzanian jet at Stansted Airport in England.

Anti-Nyerere Gunmen Hijack Jet In Tanzania, Give Up in England

From Agency Dispatches

STANSTED, England — Four hijackers who commanded a Tanzanian jetliner with a revolver and several fake weapons freed the last of 80 hostages and surrendered to police Sunday, ending a three-day odyssey from Africa.

"All the people who were on the aircraft are off, safe and well," said Essex County Chief Constable Robert Bunyard.

The hijackers had demanded the overthrow of Tanzania's Socialist president, Julius K. Nyerere.

Mr. Bunyard said the breakthrough in the 50-hour drama came Sunday when the hijackers, all in their early 20s, were allowed to speak with an exiled Tanzanian politician, Oscar Kambona, one of Mr. Nyerere's opponents.

Mr. Kambona is a former foreign minister of Tanzania and was once regarded as her apparent to Mr. Nyerere before he clashed

with the president and fled to London.

The hijackers left the plane peacefully and were arrested after a final group of more than 20 hostages and relatives of the hijackers left the plane just before dusk, Mr. Bunyard said.

The four were originally reported to have been armed with sub-machine guns, grenades and pistols, but most of the weapons turned out to be fakes. Mr. Bunyard said the hijackers had a revolver with six bullets, two wooden pistols, two wooden grenades and a package marked "explosives."

"We don't know what is in the parcel yet," he said. Stansted Airport sources said that explosives were found wired to the aircraft doors and in a toilet.

The Boeing 737 was seized Friday on a Tanzanian domestic flight and was forced down Saturday at Stansted, north of London.

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"They came here to make some sort of statement about their own country," Mr. Bunyard said. "We had no intention of making any concessions that would encourage people to hijack planes."

The minister said martial law had successfully curbed confrontation but "there are still some problems like trends towards anarchy and attempts at causing social unrest."

The full text of the message from the bishops, one of the toughest from the church during the crisis, was read from pulpits across the nation.

The bishops' desire for Solidarity to be included in talks on Poland's future was publicized in advance and coupled with a warning that the alternative was catastrophe. They appealed for "a social covenant for the good of the entire nation" and added: "The temporarily suspended trade unions cannot be left out."

The message emphasized the

Warsaw Permits Bishops' Appeal For Union Role

By Brian Mooney
Reuters

WARSAW — Poland's Roman Catholic bishops were allowed Sunday to broadcast their demands for a political role for independent trade union leaders, as Premier Wojciech Jaruzelski prepared to visit Moscow.

Informed sources said that Gen. Jaruzelski would go to Moscow Monday for his first meeting with Kremlin leaders since the law was imposed in Poland Dec. 13.

The bishops' call for the suspended Solidarity trade union to join political talks was heard on the state radio. But their plea for an end to martial law and an amnesty for detained union supporters was cut out of the broadcast version of their pastoral message.

The challenge from the bishops coincided with a slight relaxation of restrictions by Interior Minister Czeslaw Kiszczak, who warned that they would be reimposed if there was unrest.

The relaxation of martial law restrictions by Gen. Kiszczak did not affect internment, censorship, the ban on strikes or summary justice.

He said that Poles would be able to travel freely to East Bloc countries again beginning Monday, but he did not mention their visiting the West. Westerners will be allowed to enter Poland but not by car.

Other changes affected internal travel regulations and the possible easing of telephone and telex restrictions.

Still Some Problems
Gen. Kiszczak said that restrictions would be reimposed if there was further unrest. "We will not be lenient to those who destroy social order and especially to those who use terrorism which is alien to our country and mentality," he added.

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(Continued on Page 2, Col. 8)

Mitterrand's Israel Trip Will Open

Search for New Mideast Approach

By Joseph Fitchett
International Herald Tribune

PARIS — French President François Mitterrand, whose Socialist government last year scuttled the European Economic Community's diplomatic initiative on the Arab-Israeli conflict, is starting to search for a new approach to the Middle East that could involve a revived French — and European — role.

A crucial step will be Mr. Mitterrand's two-day visit to Israel be-

NEWS ANALYSIS

gining Wednesday — the first by a serving head of state from France.

In a major change of French policy, Mr. Mitterrand's trip is intended to demonstrate his support for Israel and to give France a more even-handed approach, redressing what he sees as a pro-Arab tilt in French policy under his predecessors since De Gaulle.

The difficulty of keeping open lines to both Israel and the Arabs is demonstrated by the controversy over the visit generated in France and in the Middle East.

The new French approach, a presidential aide said, "aims at convincing Israelis that Mitterrand is a genuine, reliable friend — and then trying to convince them that their ultimate security lies in making a deal with the PLO."

Mr. Mitterrand's intention of treating all Middle Eastern states similarly has aroused tensions in his own government.

Sentimentally, Mr. Mitterrand has close ties to Israel — it was one of the few Middle Eastern countries he visited during his long political career before becoming president.

On the other hand, Mr. Mitterrand, responding to views in his own party, has criticized Mr. Begin's decision to annex the Golan Heights — a step that at the time caused Mr. Mitterrand to postpone his Israel trip.

Mr. Mitterrand criticized the previous European initiative on the Middle East as undermining the Camp David accord between Egypt and Israel and arousing unrealistic expectations about Europe's ability to put pressure on Israel.

While France alone can play only a limited Middle East role, French leadership in the past has gained wide European support, creating a diplomatic alternative to U.S. policy in the region.

Waiting for his trip to Israel, Mr. Mitterrand has in effect kept France's Middle East policy in abeyance until he could test his new ideas about a balanced approach to both Israel and the Arab world.

France's discomfiture has worsened because of apparently uncoordinated statements by French officials about an Arab-Israeli settlement.

While supporting the creation of a Palestinian state, French officials first said it might be in Jordan, then corrected the possible location to the Israeli-occupied West Bank and Gaza Strip.

On a Gulf trip to balance the Israeli visit, France's minister of external relations, Claude Cheysson,

exceeded previous French policy by saying that the Palestine Liberation Organization represents the Palestinians — in fact, that he could not think of any other representative of them. Prime Minister Pierre Mauroy learned of what he called Mr. Cheysson's "little phrase" at a garden party in Tunisia, where he was warning that France and the Arabs should learn to live with their political differences.

Mr. Mitterrand, in interviews last week, described himself as a friend of Israel but echoed Mr. Cheysson in admonishing Israel to prepare to do some day with the PLO and urging more Israeli concessions on Palestinian autonomy.

Begin Rejects Idea
Retired Israeli Prime Minister Menachem Begin: "France should mind its own business."

The PLO also is criticizing Mr. Mitterrand for visiting Israel, and French commercial interests in the Gulf reportedly are suffering because of his predecessors since De Gaulle.

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Dr. George O. Poinar Jr., in Berkeley, Calif., holding a camera he used to study a 40-million-year-old gnat, at right, found mummified in Baltic amber. The gnat is so well preserved that researchers hope to extract, and possibly grow, some of the genetic material DNA from its cells.

40-Million-Year-Old Preserved Fly Found

By Harold M. Schmeck Jr.
New York Times Service

NEW YORK — A mummified insect has been found with much of its soft tissues apparently intact after 40 million years, scientists at the University of California at Berkeley have reported. The specimen is so well preserved that elements within cells appear to be visible, they said.

The find is by far the oldest to show structures within cells and the oldest in which much of the chemical makeup of the tissues may have been preserved, the scientists said.

Usually, mummified tissues are only a thousand years old. "And even some in the thousands have not been preserved as well," said Dr. George O. Poinar Jr., an insect pathologist and the principal scientist in the study.

In specimens many millions of years old, only bones and hard tissues are ordinarily preserved. Normally, virtually all the original tissues have been infiltrated and replaced by minerals, retaining details of external shape but not the original chemistry or internal structure.

The preservation appears to be so good, Dr. Poinar said, that a colleague hopes to extract some of the genetic material — DNA — from its cells in an attempt to grow it for study purposes. If that proved possible, scientists would be able, for the first time, to observe directly how much change has taken place over 40 million years by comparing the genetic material of the ancient specimen with that of similar flies alive today.

The insect's tissues were so well preserved that cell nuclei and other, even smaller, intracellular structures were visible under electron microscropic examination, according to the report.

Pictures accompanying the report showed insect species identified as the chironomid that is characteristic of cell nuclei; muscle fibrils; arrays of membranes; mitochondria and fat depots; as well as other intracellular structures. Mitochondria are the minute energy-supplying structures within living cells.

Botha Retains Hold On S. African Party; Ousts Rightist Rival

By Joseph Lelyveld
New York Times Service

PRETORIA — Prime Minister Pieter W. Botha overcame a challenge to his leadership of the governing National Party by its extreme right-wing during the weekend and effectively ousted his chief rival from the party hierarchy.

The rival, Andries F. Treurnicht, entered a hall belonging to a wing of the Dutch Reformed Church here Saturday morning as leader of the National Party in the country's wealthiest and most populous province, the Transvaal. When he emerged six hours later, he had been stripped of his membership in the party's executive committee and politically humiliated on a motion of confidence that affirmed Mr. Botha's right to interpret party policy on key racial issues.

The vote on the motion was lopsided, 172 to 36, and it meant that the party machinery in the crucial province had been wrested from Mr. Treurnicht's control. The prime minister has given dissident party members until Wednesday to reverse their stand on the confidence motion taken here Saturday and in the parliamentary caucus earlier in the week. If they fail to do so, they will be expelled from the party.

Neither Mr. Botha nor Mr. Treurnicht would comment Sunday on the implications of Saturday's vote, Reuters reported, but other opponents of Mr. Botha's policies stressed that they intended to leave the party.

One rebel member of Parliament who was at Saturday's meeting, Daan van der Merwe, said: "For me the break is final. Only the formalities remain. I represent white South Africa, my Volk [people] and Christian nationalism."

[Observers forecast that up to 17 Nationalist members of Parliament could quit the party after Wednesday, Reuters said.]

Principle Debated

There appeared to be no chance of Mr. Treurnicht's surrendering on the issue that sparked Saturday's confrontation — a semantic debate over the question of whether power sharing with Indians and people of mixed race, called coloreds, was consistent

A State Department official, who declined to be identified, said Friday night that the department would make a case-by-case review of all sales and would prohibit any sale that could be used to enforce apartheid.

Critics of the move asserted that it symbolized an administration plan to move closer to the South African government at the risk of further alienating black Africans.

There was no practical significance to adding Cuba to the terrorism list, since the United States has a ban on trade with that country. However, the dropping of Iraq is expected to draw considerable protest from members of Congress who regard the Baghdad government as an active actor of terrorism as well as an enemy of Israel.

Congressional sources said they had been told that business interests had put pressure on the administration to permit sales of equipment such as the L-100, the civilian version of the C-130 cargo plane, to the Iraqis.

Pope Reportedly Met With SWAPO Leader

United Press International

VATICAN CITY — Pope John Paul II received Sam Nujoma, leader of the South-West African People's Organization, and Oliver Tambo, president of the banned African National Congress in South Africa, in a private audience at the Vatican during the weekend, the Italian news agency ANSA reported.

The Vatican did not announce the meeting in its daily bulletin or place a report in the papal audiences and a Vatican spokesman refused to confirm or deny that the meeting had taken place. But ANSA said the papal audience Saturday was revealed on the second day of the Rome conference of "Solidarity with the People of Southern Africa," organized by representatives of Italy's five coalition parties.

Chile Police, Activists Clash

United Press International

SANTIAGO — Police and about 1,200 labor activists clashed Saturday during a funeral service for slain union leader Tupac Jimenez, who was a critic of the military government's economic policies. There were no reports of arrests or injuries. Mr. Jimenez, 59, was shot and stabbed to death by unknown assailants on Thursday.

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Protest marchers in the center of Amsterdam Sunday carried a banner saying "El Salvador not a second Vietnam."

WORLD NEWS BRIEFS

Mugabe Says Nkomo Plotted War

The Associated Press

BULAWAYO, Zimbabwe — Prime Minister Robert Mugabe told a political rally Sunday that ousted government partner Joshua Nkomo was plotting to instigate a civil war, the Ziana news agency said.

Speaking at a gathering in Umhlanga in eastern Zimbabwe, Mr. Mugabe said the arms caches found on farms owned by Mr. Nkomo's organization were enough evidence that he intended to overthrow the government. He added that Mr. Nkomo was plotting to avenge his defeat by Mr. Mugabe's majority party at the polls by instigating a civil war. The prime minister also said security officials had arrested officials of Bishop Abel Muzorewa's United African National Council who were found in possession of arms, Ziana reported.

Meanwhile, the central committee of Mr. Nkomo's party this weekend rejected his call to quit the coalition government and go into opposition in Parliament.

Japanese Workers Rally for Tax Cut

The Associated Press

TOKYO — In Tokyo's first mass labor rally since 1974, Japanese workers converged on a park Sunday and demanded 1 trillion yen — about \$4.3 billion — in tax cuts for fiscal 1982.

Sponsors put the number of participants at 200,000, while police said there were 66,000 demonstrators at Yoyogi Park in central Tokyo.

The rally was called amid charges by workers that their purchasing power has dwindled under a five-year freeze on maximum nonbasic income. In 1980, the average income for a family of four in Japan was the equivalent of \$15,900, of which about \$1,100 was paid in taxes, a tax official said. Premier Zenko Suzuki's government so far has refused a tax cut, saying there are no financial resources to support it.

Papandreou, in Cyprus, Vows Support

The Associated Press

NICOSIA — Andreas Papandreou, making the first visit to Cyprus by Greek premier, pledged his government's "unlimited support" to the Western allies for tolerating the Turkish invasion in 1974.

Speaking upon his arrival Saturday, he said he was launching "an international crusade to internationalize the Cyprus problem." He was greeted warmly by crowds estimated at 200,000.

Sunday, he laid a wreath at the tomb of the island's first president, Archbishop Makarios, on remote Trooni Mountain. Mr. Papandreou later conferred separately with the leaders of the four main Greek-Cypriot political parties and was scheduled to address the parliament.

8 Killed, 20 Hurt in Beirut Explosion

United Press International

BEIRUT — Eight persons were killed and 20 wounded in the fourth terrorist bomb explosion in Beirut in less than a week, police said, as U.S. presidential envoy Philip C. Habib discussed ways of saving a southern Lebanon cease-fire that he helped to negotiate seven months ago.

The bomb, which police and witnesses said was packed in a small station wagon, went off on Saturday, near an elementary school and a Syrian Army checkpoint during rush-hour traffic at the southern entrance to Beirut.

In a telephone call to a western news agency in Beirut, the Organization for the Liberation of Lebanon from Foreigners claimed responsibility for the explosion. The caller said the number of bombings would continue until April 28, when the six-month mandate of Syrian peacekeeping forces in Lebanon expires. The same group claimed two bombings last Tuesday, in which seven persons were killed.

CIA Says Assassins Failed In Attempt to Kill Qadhafi

(Continued from Page 1)

er, a senior U.S. official said the Israelis would do so "if they thought it would earn them points" in the United States. But this official said it is certain the Israelis were not involved in the December assassination attempt.

That attempt took place, the officials said, while Col. Qadhafi was visiting a headquarters area in the Libyan countryside. One State Department report in early January said that Col. Qadhafi had gone to Moscow for treatment and had returned in early January.

Moscow Trip Doubtful

Other sources said that U.S. intelligence agencies had insufficient hard information to support this conclusion. They said they doubted that Col. Qadhafi had gone to Moscow during that period.

Initial news reports out of Rome and Tunis said that the assassination attempt took place Dec. 19 and that an eastern army commander, Col. Khalifa Khadir, was shot and killed by Col. Qadhafi's security guards during the attempt. Col. Qadhafi's driver reportedly was killed in the shooting.

The bodies who are responsible,

the Soccoro Juridico spokesman said. "The left shoots people down and leaves. The military forces kidnap them and shoot them with their thumbs tied or wrists manacled, often after torture."

Rightist Shot In El Salvador

(Continued from Page 1)

the report "does not say that 98 percent of the deaths were attributable to the security forces and 1 percent to the anti-government forces."

Other Oil Sources

As for the effect on the United States, analysts said that a reduction in imports of oil from Libya would probably be offset by increased purchases from other producers.

United States imports of Libyan oil are believed to run about 115,000 barrels a day, only 2.4 percent of total imports and not enough to affect retail prices.

Although the unsettled nature of the situation led oil companies operating in Libya to refrain from commenting, it is known that some of them have already begun reducing the amount of Libyan oil they sell in the United States. The Occidental Petroleum Corp., for instance, has reduced sales of its Libyan oil to less than 10 percent of the total in recent weeks, compared with an average of about 50 percent in 1981.

"We can tell from the state of

the bodies who is responsible," the Soccoro Juridico spokesman said. "The left shoots people down and leaves. The military forces kidnap them and shoot them with their thumbs tied or wrists manacled, often after torture."

U.S. Marine Exercise

WASHINGTON (AP) — The U.S. Marines are preparing for a practice landing at the U.S. naval base in Guantánamo Bay, Cuba, this spring, Pentagon sources say.

Pentagon officials said Friday

the operation would be a routine reinforcement exercise. Similar exercises were held at Guantánamo twice last year.

A report from Presepe Latina,

the Cuban press agency, said the exercise was taking place "as Washington increases its threats against Cuba, Nicaragua and Grenada, at the same time that each day it becomes more compromised in a military adventure in El Salvador."

Protest in Amsterdam

AMSTERDAM (UPI) — The

United States consulate in Amster-

dam was damaged slightly Saturday by 2,000 demonstrators protesting against U.S. policy in Central America, the Dutch police said. Seven policemen were slightly injured.

Party leader Enrico Berlinguer was asked in an interview published Sunday in the West German magazine Der Spiegel if he thought Moscow had tried to divide the Italian party since it sharply criticized the Soviet party over the imposition of martial law in Poland. "That is probable," he said without elaborating.

He reassured the Italian party's condemnation of Polish military rule and of Moscow's claim to be the arbiter of Communist orthodoxy. But he said he did not regard the controversy between the Italian and Soviet parties as being a final break and that the Italians did not seek such a break.

Gen. Kiszeck said that, up to

Feb. 26, 6,647 people had been re-

leased. Ten persons had been re-

leased for restoring "anti-state"

activities.

He added that the Soviet Union appeared to signal the Soviet view of the situation in Poland when he said that martial law had only checked counterrevolution in Poland and not rooted it out.

Leonti Zamayain, head of the Soviet Communist Party's international information department, said Saturday that Solidarity leaders still at large were plotting against the Polish authorities.

He added that the Soviet Union thought the situation was still volatile and said there was no room for complacency by the military leadership in Warsaw.

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activities.

He added that the Soviet Union were planning to issue a communiqué soon about Gen. Jaruzelski's proposal made to Western diplomats last December, that opponents of the system might be allowed to emigrate to the West.

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U.S. Reportedly to Put First MXs in Colorado, Wyoming, Nebraska

By Robert C. Toth
Los Angeles Times Service

WASHINGTON — The Pentagon has decided that the first 40 of its MX missiles will be spread through Wyoming, Nebraska and Colorado and based in existing, unhardened Minuteman sites, it has learned.

Subsequently, the Defense Department is expected to order construction of as many as 14 additional silos around each silo containing an MX missile in order to hide, or "deceptively base," the weapon, Pentagon officials said. Each MX will be housed in a transportable cannister.

Eventually, officials said, an anti-ballistic missile defense may be ordered built to protect the MX installations — a move that could destroy the current ABM treaty with the Soviet Union and severely damage chances for future arms control agreements. Under the existing ABM treaty, the United States can erect such a defense system only at its Grand Forks, N.D., missile base.

The Air Force rejected the Grand Forks base for the MX missiles because geological features such as the depth of bedrock and water table level are less favorable than those at the sites in Wyoming, Colorado and Nebraska.

While the unannounced decision covers only 40 MX missiles, it will create a powerful momentum for basing some or all of the additional mobile missiles — between 60 and 160 more of them — in the same complex, which currently holds 200 Minuteman missiles and is commanded from Warren Air Force Base near Cheyenne, Wyo.

Cost Incentive

Lower cost will be the major incentive for putting all MXs there. After the first 40 are built and installed at the huge Warren missile field, each additional missile-silo combination will cost only one-tenth as much as the first 40.

Regardless of future decisions, the move — scheduled to be announced March 9 — is expected to be a major step toward ending the protracted debate over the MX basing.

President Jimmy Carter proposed building 200 MX missiles, each with 10 warheads, to be moved in a "shell game" fashion among 4,600 horizontal shelters in the deserts of Utah and Nevada. Such a system was considered relatively invulnerable to attack.

In the 1980 election campaign, Mr. Reagan attacked Mr. Carter's

McNamara Challenges Reagan Aid Priorities

By Barbara Crossette
New York Times Service

WASHINGTON — The Reagan administration's response to the needs of the Third World is being challenged in a report published by the Overseas Development Council and the council's chairman, Robert S. McNamara, a former president of the World Bank.

The report published Saturday by the council, a private organization engaged in research on developing nations, says the United States should make a greater commitment to development aid and place less emphasis on military or strategic considerations.

The report, "U.S. Foreign Policy and the Third World: Agenda 1982," says the United States has fallen almost to the bottom of the world-wide index.

U.S. Democrats Back Changes in Nominating Rules

By Barbara Crossette
New York Times Service

WASHINGTON — Despite warnings of potential opposition from women, big states, and state party chairmen, the executive committee of the Democratic National Committee has voted to endorse changes in the presidential nominating system recommended by a party commission headed by Gov. James B. Hunt Jr., of North Carolina.

Several abstentions were the only exceptions to votes Friday in favor of a resolution commanding the commission's plan. But the abstentions were explained at length and outlined the dissent that may be heard when the full national committee considers the proposals at a meeting scheduled for March 26.

Gov. Hunt tried to anticipate one complaint by defending a decision to let House and Senate caucuses choose up to two-thirds of the Democrats in Congress as automatic national convention delegates. This, he said, was the only way the lawmakers would agree to come to the convention.

But Marge Thurman, the chairman of the Georgia Democratic Party and the Association of Democratic State Chairs, objected that these lawmakers would be "imposed on us." She said they would crowd out party workers who had to go to votes in their own states to be chosen as delegates.

There were muted suggestions that the party's commitment to equal division between men and women would be undercut by making so many male officeholders automatic, uncommitted delegates. But the executive committee resolution, as adopted, proclaimed that the commission work would "strengthen the party's commitment to affirmative action and equal division."



Wayne B. Williams follows a police officer out of court after being convicted of murder and sentenced to two life terms.

Williams Found Guilty Of 2 Atlanta Killings

By Wendell Rawls Jr.
New York Times Service

ATLANTA — Wayne B. Williams has been found guilty of killing two of 28 missing and murdered young blacks and sentenced to prison for two consecutive life terms.

The verdict came Saturday night after a nine-week trial. "I'm sure there will be an appeal," said Alvin Binder, the lead defense lawyer for Mr. Williams, 23, a free-lance photographer and self-styled music promoter. "I'm sure that there are good grounds for an appeal, but I doubt that I will be in the case after today."

Lewis Slaton, the district attorney who prosecuted the case, read the verdict. Mr. Williams and his 68-year-old father were then allowed to make statements before sentence was pronounced.

"I maintained all along through the trial my innocence and I still say so today," the defendant said. "I just hope the person or persons who committed these crimes can be brought to justice. I still say I didn't do this ... I more than anyone wanted to see this terror end, but I did not do it."

His father, Homer Williams, said: "I feel that this is an error of justice. In fact, I don't see how anyone anywhere can find my son guilty. It is unjust and I will say that anywhere in the world. Nobody has brought any evidence to prove that my son is guilty."

"It was the fibers, that was all I saw," Mr. Binder said of the evidence most damaging to his defense of Mr. Williams. "It certainly wasn't the witnesses." Fibers found on the bodies of the victims were linked with fibers taken from Mr. Williams' home.

10 Other Cases

It is not expected that the district attorney will try to prosecute Mr. Williams in the 10 other murder cases from which evidence was permitted in the trial case to show a pattern of behavior by the defendant and a pattern of evidence against him.

Under Georgia law, Mr. Williams will be eligible for parole in seven years.

Mr. Williams first came to the attention of law enforcement officials early on the morning of May 22. Authorities had begun watching bridges after the bodies of young blacks were found in the Chattahoochee and South rivers. Two Atlanta police recruits, a police officer and an FBI agent were stationed at a bridge over the Chattahoochee on the northwest outskirts of Atlanta.

The recruit below the bridge heard a loud splash. In court, he said he pointed his flashlight at the water, where he saw ripples spreading. He said he radioed the recruit on the bridge, told him of the splash and asked if he could see a car. The second recruit answered that a car was driving slowly toward him.

The police officer, stationed at the end of the bridge, testified that he saw the car turn around and head back across the bridge. The officer said he and the FBI agent stationed at the opposite end of the bridge stopped the car on Interstate Highway 285. Wayne B. Williams was the driver.

OAU Condemns U.S. Policies on South Africa

The Associated Press ADDIS ABABA, Ethiopia — The Organization of African Unity accused the United States on Sunday of encouraging South Africa to stall on changing its racial segregation policies and on giving independence to South-West Africa (Namibia).

The charge was contained in resolutions on South Africa and Namibia passed at the end of a week-long foreign ministers' meeting highlighted by a dispute over the surprise admission of the Polisario Front, the guerrilla group fighting Morocco for control of the Western Sahara, as the organization's 51st member.

"The continuing political, economic and military collaboration of certain Western countries, particularly the United States, with the racist regime of South Africa, has served to encourage its persistent intransigence and defiance of the international community," the OAU ministers said.

The organization, also calling Britain and Israel collaborators with South Africa, said that "com-

prehensive and mandatory" economic sanctions would be the most effective way of helping South Africa's 20 million blacks achieve majority rule.

Though not citing the United States by name, the resolution on Namibia again accused "certain Western countries" of obstructing efforts for a negotiated independence settlement in the territory.

Ignoring Apartheid

Black African leaders have periodically charged the Reagan administration with being sympathetic to South Africa because of its anti-Communist stance while tending to ignore its apartheid policies.

They have also charged frequently that the United States and other members of the Western "contact group" seeking a Namibian settlement — the other states are Britain, France, West Germany and Canada — have tried to alter a UN plan for Namibian independence to please the white minority in the territory.

The Addis Ababa meeting was

intended to be a routine budgetary session but, because of the admission of the Polisario Front, became one of the most divisive since the OAU was formed in 1963.

Nineteen OAU states boycotted the final session Sunday approving the resolutions, as part of a Morocca-led protest over the sealing of the Polisario as the Saharan Arab Democratic Republic when the meeting opened Monday.

Polisario guerrillas have been fighting Morocco for six years for independence of the Western Sahara, which Morocco has annexed in stages since Spain withdrew in 1976.

Walkout Tuesday

Morocco and seven other members walked out of the meeting Tuesday because of the decision by OAU Secretary-General Edem Kodjo of Togo to seat the Polisario.

In his closing remarks, the chairman of the meeting, Foreign Minister Archie Mogwe of Botswana, said the delegates "cannot ignore

China Ignores 10th Anniversary of Nixon Trip

By Michael Parks
Los Angeles Times Service

PEKING — In a mark of its unhappiness over continued U.S. arms sales to Taiwan, China virtually ignored the 10th anniversary Sunday of the Shanghai communiqué that began the reconciliation between Peking and Washington and laid the foundation for the establishment of diplomatic relations three years ago.

Despite its practice of celebrating such major diplomatic anniversaries, China did not hold a ceremony commemorating President Richard M. Nixon's 1972 journey to China, nor did it issue any statement assessing Chinese-American relations or calling for continued cooperation.

The Chinese news media did report on a dinner given Friday in New York for Mr. Nixon by the Chinese ambassador to Washington, Chai Zemin, who was quoted as saying that it was "regrettable that difficulties came up due to the U.S. sale of weapons to Taiwan."

"Sino-American strategic relations should continue to develop instead of stagnating or regressing," Mr. Chai said, according to the Chinese news agency. Mr. Chai said he hoped both sides would "strive to overcome the serious obstacles existing between the two countries," the agency reported.

Letter From Reagan

The Chinese news media passed over a letter from President Reagan last week to Premier Zhao Ziyang marking the anniversary of the communiqué and calling for a resolution of the dispute over continued U.S. arms sales to Taiwan.

The media also ignored a speech Saturday by Secretary of State Alexander M. Haig Jr. to a conservative political group in Washington in which he stressed the strategic importance of China to the United States. The Chinese Foreign Ministry did no immediate comment on either U.S. gesture.

U.S. officials would not disclose the contents of the Reagan letter, delivered through diplomatic channels, but described it as part of a "good faith effort" to settle the arms issue.

On China, Mr. Haig partially defended his listeners by denouncing Soviet-backed Vietnamese

Unusual Neglect Underlines Dispute Over U.S. Weapons Sales to Taiwan

By Michael Parks
Los Angeles Times Service

PEKING — In a mark of its character, scope and duration of the sales — in effect, a U.S. commitment to end the sales within a certain time, perhaps five years.

The Reagan administration is believed to be discussing the question in detailed terms, but U.S. officials resist suggestions that they are actually negotiating such a limit.

The U.S. view remains, these officials say, that the president is required under U.S. law to provide

Taiwan with the arms necessary for the island's defense and cannot enter into an international agreement that would conflict with this responsibility.

China continues to insist that the sale of U.S. arms to Taiwan, which is recognized by the United States as a Chinese province, is gross interference in its internal affairs akin to Peking selling weapons to, say, some insurgent group in Hawaii.

"We are making a major effort to bridge these difficulties," Mr. Haig said last month. "... I am not in a position to predict the outcome."

Haig, Addressing Conservatives, Stresses Value of Tie With China

By Oswald Johnston
Los Angeles Times Service

WASHINGTON — Secretary of State Alexander M. Haig Jr. has warned some of his harshest critics on the political right not to overlook the strategic value of the United States' relationship with China.

Defending his policies against accusations of softness and moderation, Mr. Haig also explained Saturday that human rights conditions in Guatemala, whose rightist government has the support of many conservatives in the United States, disqualified that country from U.S. aid.

And the secretary again defended

the Reagan administration's refusal to impose unilateral trade embargoes on Poland and the Soviet Union that would damage economic interests in Western Europe.

Taking the offensive on many issues, Mr. Haig won frequent and prolonged applause from his 300-member audience of the Conservative Political Action Conference, which has been critical of his policies.

On China, Mr. Haig partially

feels from the Chinese forces on their northern border."

He added: "Too frequently today in contemporary terms we neglect to take full weight of the strategic importance of the People's Republic of China."

Referring to Taiwan, the favored choice of his audience, Mr. Haig said of his earlier statements: "Do not misread that as a plea to try to make new friends at the expense of old, but take it as a very strong caution that we must not look aside at the vital strategic role that the People's Republic can play in the region."

Regarding Guatemala, Mr. Haig again began with tough talk, supporting U.S. policy in Central America. He accused the news media of applying a double standard in calling El Salvador another Vietnam. "The American people are not unwilling to support a sound effort to do whatever is right — provided they believe we succeed," he said.

Guatemala is pressed by "external subversion and external terror," Mr. Haig said, but policies of its government do not permit the U.S. administration to offer aid directly.

Reagan Asks Conservative Critics To Help Broaden National Base

By George Skelton
Los Angeles Times Service

WASHINGTON — President Reagan has called upon his increasingly critical fellow conservatives to join him in a "new crusade" to build a lasting, majoritarian coalition of "Main Street Americans" not devoted to any single socialist policies.

Only then, the president warned, can conservatives achieve the changes in government and society he ceases to carry their banner.

In essence, Mr. Reagan asked the group to stop complaining that his administration is too conservative and to join him in trying to win congressional passage of his latest round of proposed cuts in domestic spending and increases in funding for defense.

Mr. Reagan's speech Friday to the Conservative Political Action Conference highlighted three days of intensive lobbying by the administration of New Right activists who lately have been critical of the president's politics and appointees.

Sensitivity Seen

Mr. Reagan's sensitivity toward the criticisms of conservatives, who throughout his political career have comprised the core of his support, was illustrated by the many Cabinet officers and other high administration officials dispatched to address this relatively small convention of about 400 delegates.

The expected reductions in fiscal 1983 totaled \$17.5 billion. About \$6.9 billion of that will be cut from families with incomes under \$10,000 and \$4.6 billion from families with incomes from \$10,000 to \$20,000, so about two-thirds of the cut comes from families under the \$20,000 figure.

The average family making less than \$10,000 will lose \$360 in benefits, while gaining \$120 in tax savings. One with income from \$10,000 to \$20,000 will average \$440; one with income from \$20,000 to \$40,000 would average \$950 in tax savings, and one with income from \$40,000 to \$80,000 would average \$1,830.

A family with income of more than \$80,000 would average \$1,250 in tax reductions. Those families would end up with a fifth of the \$8.2 billion in 1983 tax savings.

The figures were contained in a study requested by Sen. Ernest F. Hollings, Democrat of South Carolina, and Rep. James R. Jones, Democrat of Oklahoma, chairman of the House Budget Committee.

Sen. Hollings and Rep. Jones, who made the study public Saturday, said that "fairness is a critical element in any budget" and "the CBO study speaks clearly on the fairness of the Reagan program."

In computing reductions of welfare and related benefits to different income groups, the budget office took into account cuts voted last year in Social Security, Medicare, unemployment insurance, food stamps, welfare, fuel aid, educational benefits and veterans' programs.

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Boycotting Qadhafi's Oil

An American boycott of Libyan oil is an important gesture. But it is necessary to recognize that, in present circumstances, it is no more than a gesture. The Reagan administration ought to proceed only if it is ready to maintain this boycott in times of shortage as well as in the current surplus of oil.

For the present, Libya, still trying to enforce inordinately high prices, will have great difficulty selling its oil regardless of boycotts. Also regardless of boycotts, the United States will have no difficulty at all finding the oil elsewhere to meet its diminished import requirements. But, as everybody ought to understand by this time, events can reverse the market without warning and suddenly give all the advantages to the sellers. That is no reason to abandon the plan for a boycott. But Americans need to be aware that the boycott will not necessarily continue to be as costless and easy as it now appears.

Libya is the rare case in which economic sanctions are clearly worth invoking. Often, economic sanctions are poor weapons — ineffectual, injuring innocent bystanders more gravely than the politicians and policies that are the targets. But, in this case, the general population — a small population, in a country with great wealth — is not going to suffer from the boycott. Neither is any other country likely to be affected. The purpose here would not be to starve Libya or use economic

duress as a means of punishing it for the reckless and violent forays abroad that have characterized Col. Moamer Qadhafi's rule.

The point of the exercise is the expression of moral disapproval, in the Wilsonian tradition. Because Col. Qadhafi has used the enormous Libyan oil revenues to finance assassination squads throughout Europe and in the United States, and to build up his armed forces to threaten his unfortunate neighbors in Africa, the United States is well justified in calling its inadvertent contributions to those depredations. If others wish to buy the oil, knowing how the revenues will be used, that is their affair — although it might be noted that the Europeans have been reducing their imports of Libyan oil significantly.

No doubt the Libyans can find other customers, if they choose to cut their prices further. No doubt they can find engineers and technicians to run their oil fields in place of the Americans who have been withdrawn. America is not trying to snuff out their economy. It is simply declaring that Libya, under Col. Qadhafi, has placed itself beyond the pale, and it now proposes to deliver that message by isolating Libya. The United States broke diplomatic relations some time ago, but in the Libyan case it is the commercial relations that count. The right response is the refusal to buy from them.

THE WASHINGTON POST.

The Disbelieved Believer

Every day, it seems, President Reagan loses another ally in his budget battle with Congress. He alone remains a true believer, unshakable in his faith that a healthy recovery can occur and be sustained for years despite huge and unyielding federal deficits. Inflation has come down dramatically and the president believes interest rates will follow: If only the nation will trust Reaganomics long enough to work, it will celebrate the vital new era promised a year ago.

Never mind that the knowledgeable Sen. Ernest Hollings greeted the president's 1983 budget with a radical alternative. The South Carolinian is a Democrat. But then came the defection of Sen. Howard Baker, the majority leader, and he in turn urged the nation's corporate leaders to confront Reagan with their alarm about his deficits.

That is what the hardly radical Mobil Oil Corp. has done. It pleaded for a reduction of the deficits because they contain "the seeds for renewed excessive inflation, retarded economic growth and continued high interest rates." And now comes Sen. Pete Domenici, the Republican star who skillfully shepherded the president's budget to passage last year, insisting on a rewrite this year — with or without the president's help.

It is thus inevitable that the Reagan budget will be drastically revised. But it is by no means certain that Congress by itself will come up with the best remedies.

Virtually all the suggestions heard so far are improvements. All would shrink deficits more decisively and fairly than the president's plans. But by concentrating on a delay or reduction in the income tax benefits due this July and next, they not only offend the president's proudest achievement but overlook more promising sources of revenue.

There is available a "supply-side" strategy that might yet appeal to Reagan. It would let

stand the incentives provided by the multi-year reduction in tax rates, which are expected to encourage some taxpayers to be more productive. The revenues that Congress draws from the economy should be in the form of taxes that discourage consumption, not production. A federal tax on gasoline or a fee on imported oil, for example, would yield both revenue and beneficial energy savings. A value added tax — basically a federal sales tax — could be imposed as the recession ends to raise revenue and discourage consumption directly. Some tax subsidies, like the deductions allowed for interest on consumer loans, should be withdrawn.

Why does the president stand so rigid against the clamor? Perhaps he is a secret Keynesian, wanting huge deficits to stimulate fast recovery from recession. Perhaps he thinks the recession gives him time to change course next year, after he is through squeezing expenditures on programs he resents.

But in considering tax increases, the country ought to be alert to a crucial difference between urgency and immediacy:

There is indeed no need to raise taxes immediately. No one urges a course that would only prolong and deepen the recession. There is, however, a need to act against future deficits urgently, to demonstrate that they will be declining, not rising, in the years of recovery. Until that is clear and credible, the financial markets will continue to roil in uncertainty, interest rates will stay high and even the recovery may be aborted.

Does the president really intend to stand idly by while economic policy is reconstructed all around him? His rigidity, or strategy of delay, is now an enemy of recovery and also of the most prudent repair of his budget. A useful economic strategy needs more than a single true believer.

THE NEW YORK TIMES.

Other Opinion

Against the Trident for Britain

Very soon, the government will announce its decision on the next generation of the British nuclear deterrent. In fact the decision has already been taken — to buy the Trident D5, the most powerful and expensive weapon the Americans have ever begun to build. All that remains is for the best terms to be concluded, and for the Cabinet and Parliament to agree. We hope Cabinet ministers think several times before accepting the case the prime minister and the defense secretary are preparing to put to them. Trident is strategically unsound, financially beyond [Britain's] reach, and, within the total pattern of defense, a gravely unbalancing element.

— From The Sunday Times (London).

For a Central American Strategy

Vietnam is across the Pacific from the United States but El Salvador is on its doorstep, and no one will seriously deny that the United States has an important interest in the Central American area, especially in view of the question mark attaching to Cuba's subversion and Cuban arms supplies in the region. However, applying a "domino theory" to the problem of El Salvador should not stampede Washington into using a sledgehammer to crack a nut. What the United

States urgently needs is a comprehensive Central American strategy.

— From the Neue Zürcher Zeitung (Zurich).

A Court Ruling to Spare the Rod

More than three centuries have passed since Samuel Butler penned that famous line, "Then spare the rod, and spoil the child," which was to give such strong moral comfort to generations of disciplinarians and even stronger physical discomfort to generations of children. The European Court ruling that Britain's teachers must no longer beat pupils against the wishes of their parents (one can safely assume it is always against the wishes of the children) is simply another milestone on the road along which, for better or for worse, humanity and the rights of the individual have long marched.

As regards caning in schools, [the ruling] surely marks the fast-approaching end of that practice. The alternatives are either to have separate schools for caning and non-caning or to have in the same classroom some unruly pupils able to flourish parental objections when called to book, and others forced to face the consequences of being without such dispensations. Either solution is a patent absurdity.

— From the Sunday Telegraph (London).

March 1: From Our Pages of 75 and 50 Years Ago

1907: Flying Machine Breaks Up

PARIS — At Vincennes, the Delagrange flying machine made its bow to the public and — broke its neck. Some 200 persons witnessed the trial, including the celebrated aeronaut M. Santos Dumont and Mr. Archdeacon. It took an hour and a half to put the last touches to the apparatus. Then M. Voisin took his seat in the car, the motor was set in motion and the machine ran along the ground for some 20 meters against a light breeze. As soon as the wheels left the ground the forepart rose perpendicular, the propeller touched the soil and the apparatus broke in two pieces. The Delagrange airplane weighs 290 kilograms and carries a 40-horsepower Antoinette motor.

1932: Hitler Denounces Republic

BERLIN — Stormily cheered by a crowd of 15,000, Adolf Hitler, naturalized German citizen, leader of the Nazis and opponent of President von Hindenburg in the national election, gave the keynote of his campaign with a sharp attack upon the republican system, postwar policy and the Versailles treaty. "This is not only a presidential campaign, but also a fight to overthrow the system established on Nov. 9, 1918," he declared. "Whoever believes he can humble us through threats errs. Enemies may threaten us and whip us, but we'll see who holds the whip at the end of this campaign." The f3 years of the "policy of fulfillment" had left Germany a heap of ruins, he said.

On the Japanese Sense of Grievance

By Hobart Rowen

WASHINGTON — Probably no businessman is as familiar with both the United States and Japan as Akio Morita, chairman of the Sony Corporation. Therefore, when Morita told a small group of influential American and Japanese opinion-makers in Washington the other day that Japan resents American "high-handedness," they all sat up and paid attention.

He conceded that "fair criticism" could be made of Japanese failure to abandon import quotas on tobacco and other agricultural products, and certain annoying non-tariff customs and other barriers. But he warned that the persistent pressure from the

United States to "make more concessions" so as to reduce the Japanese trade surplus is becoming oppressive.

"Instead of treating Japan as a friend, the United States and Europe are ganging up on Japan," he said, and are "treating [us] almost as an enemy."

Those are tough words, reflecting a bitter assessment in Japan that it is taking a bum rap for the inability of American industry to compete. But there is equal bitterness in America, the extent of which the Japanese have been slow to appreciate.

Yale's Prof. Hugh Patrick,

commenting on a round of talks with U.S. congressional leaders, said the other day: "When the 'friends' are as unfriendly as they are, you have to worry about the 'enemies.' There is increasing frustration, and it will get worse instead of better."

The bilateral trade deficit for the United States could hit \$25 billion this year. Never mind that comparing bilateral trade balances can give a distorted view of world economic relationships. The United States, for example, has a sizable bilateral surplus with Europe, and surely would resist European demands that make "concessions" to reduce the surplus.

And never mind that the United States enjoys a huge worldwide surplus on its sales of services — \$36 billion in 1980 — while Japan had a services deficit of \$11.3 billion. The hard political fact is that there is a high visibility to the trade imbalance, and that it gets translated into "lost" jobs (as in the auto industry) and ultimately into pressure on Congress to "do something."

Reciprocity?

The buzzword on Capitol Hill today is "reciprocity" (bilateral reciprocity, that is), a principle according to which the U.S. government should take steps to assure that American businesses have the same access to overseas markets that foreign firms enjoy in trading with the United States. Using this device to limit Japanese imports would run counter to the traditional American reliance on the "most favored nation" principles, according to which a nation must treat all others equally in its market.

But if the administration's two chief trade policy-makers, Ambassador Bill Brock and Commerce Secretary Malcolm Baldrige, are willing to use the congressional drive for reciprocity as a lever to force Japan to open its markets further, even though it

threatens U.S. commitment to multilateral trade principles.

Baldrige, worried that American high-technology industries which used to excel are losing their competitive edge, is ready to twist Japanese arms on the idea of reciprocity.

He claims that Japanese producers have picked up 70 percent of the market for the 64K RAMs, a state-of-the-art microchip memory, by slashing prices to the point where they are driving the United States out of the market."

It is doubtful that Baldrige can back up that claim. Edcan Spencer, chairman of Honeywell, Inc., one of the major buyers of 64K RAMs, suggests that the Japanese have taken the lead in this microchip not because of price but because "the Americans got there late."

Spencer says Honeywell has three suppliers of 64K RAMs, all Japanese, because American producers do not yet have 64K RAMs for sale.

The danger is that the frustrated American response to the Japanese success — in these new fields as well as autos and consumer electronics — will be to drift into "reciprocity" legislation as a painful necessity, denying at the same time that it is protectionism by another name.

It will take a great deal of effort on the part of both Japan and the United States, the two economic giants of the free world, to defeat the internal forces for protectionism within each country.

Japan could assuage some of the American bitterness by contributing more funds to worldwide economic development, and also by picking up a greater share of its own defense costs. The United States, for its part, will have to be more honest about its own shortcomings, modernize the economy, stress productivity, and rework the labor-management techniques that Japan wisely adopted from the United States in the 1950s.

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Policy Premises Three and a Half Decades Old

By Flora Lewis

NEW YORK — The premises of U.S. foreign policy have not changed since the late 1940s. They were that the United States had global interests that required the defense and cooperation of Western Europe, and that its major rival was the Soviet Union, at first in Europe and later practically everywhere.

The 1945 Yalta agreement provided for free elections in Poland, Romania, Hungary and Bulgaria, as well as withdrawal of the Red Army from Czechoslovakia. But it did accept Moscow's right to insist that these countries remain in the Soviet Union's western borders should not have hostile governments.

In fact, Stalin methodically violated the pact, and Yalta came to symbolize the partition of Europe at the north-south line dividing Germany. That was essentially accepted by the West, despite a lot of mutual recrimination.

While there have been wars on other continents and sometimes bloody upbeats in Eastern Europe, the arrangement kept the peace in Europe and underlay America's policy of "containment," the resolve to tell the Soviets: so far, but no farther.

The Marshall Plan, NATO and other alliances stemmed from this analysis of the world the United States faced. Meanwhile, the United States supported and was sometimes actively involved in the liquidation of Europe's colonial empires, in part to express traditional American regard for independence and self-determination of peoples, in part to resist Communist encroachment of the liberation cause.

Now, nearly 40 years later, decisions made after the war remain the fundamental guidelines of American policy.

With ups and downs, the postwar policy worked, but it is running out now. New generations have grown, and they no longer take for granted the assumptions passed on to them.

In Europe, people no longer accept the post-Yalta partition as inevitable and permanent. Germans may no longer tolerate reunification as a credo, but neither do they accept as enduringly justifiable the country's partition into two hostile states. This is reflected in the West German complaint of lack of "identity."

While Moscow fiercely denounces any challenge to "the results of World War II," its enthusiasm for its European empire, there has been a striking advance toward German-Soviet reconciliation. This showed when Leonid Brezhnev, visiting Bonn last November, paid tribute to "our two peoples' will for peace" because "our two peoples suffered most in World War II," omitting familiar diatribes about Nazis, aggression, revolution.

Poland has been the latest and one of the

most spectacular demonstrations that the Yalta symbol has frayed. The military regime may suppress active opposition for a time, but it cannot ease any of Poland's economic and social problems, and resistance, perhaps more violent, will surely emerge again.

As one Polish official who long served the regime said recently, "Both Moscow and Washington must see to it that the division of Europe won't work any more and it's no longer in their interest to impose it."

So it is time for a sweeping new look at the premises of foreign policy. Can a safer way be found to colabir Earth with the Soviets? Can America support the European urge to relax the continental and German division? Can it isolate unavoidable conflicts in the Third World, which has its own intense demands, from the dangerous East-West struggle? Can it accommodate change, not always to its liking but often beyond its ability to prevent?

These questions address an immense tangle of risks and opportunities. They raise fears that easier East-West relations in Europe would increase Moscow's influence on West Germany and break up the Western alliance, without reducing Soviet domination in the East. The Soviets, internally weak, are seen as irreducible except by force.

But underlying questions have not really been examined for a long time, and the old answers are not necessarily so anymore. There is a profound lack of confidence in the West's own strength and stamina, which seems to block a new analysis. It must be made if we are not to stumble into disaster unaware.

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Letters

Iran and Unity

With respect, I would suggest that the good faith of information emanating from such sources be carefully checked.

LOUIS FITZGIBBON,
Havant, England.

Camp David Terms

Will the real Camp David please stand. Those Mubarak-PLO formulae that the editorial writer (IHT, Feb. 6-7) supports were most intelligently excluded from the final Camp David peace agreement in order to permit fruitful and mutually accepted terms.

And for good reason: Such magic phrases as "self-determination" and "national entity" are the PLO euphemisms for obliteration of Israel as a state. If that is the shape of the future Middle East "peace" that the writer supports, let him say so directly.

MOSHE BEN-ZVI,
Hoofddorp, Netherlands.

Haig in Bucharest

In support of Leopold Unger's excellent article (IHT, Feb. 18), I confirm that Mr. Haig came to Bucharest at a time when the regime was strengthening its dictatorship. Decree No. 400 published last Dec. 29 (copy enclosed) provides prison terms of from three months to 20 years, with partial confiscation of private property, for workers who do not strictly comply with disciplinary rules imposed in Romanian factories. A census of domestic animals is under way to oblige peasants to deliver more meat and poultry to the state.

MICHEL KORNE,

Ville d'Avray, France.

Mean, Generous

In the editorial "The State of the Union" (IHT, Jan. 28), "recently rich" Texas is said to be mean to the poor. Might this be hesitancy to drag the nonproducers up at the expense of those who manage to make ends meet? And who is responsible for a family of four that cannot support itself?

"It would be grotesque," the editorial says, "to invite these states with a tradition of social con-

science to take disproportionate burdens of the nation's poverty as helpless people tied to them from the penury of the less generous." But if a state wants to be generous to the "helpless," it should accept responsibility for the influx of persons who would rather search for a free lunch than a decent job. The country's belief in encouraging the "helpless" at the expense of discouraging producers and hard workers must



The Associated Press
Pope John Paul II with Jesuit leaders at the Vatican, including, from left, Superior General Pedro Arrupe, the Rev. Paolo Dezza and the Rev. Giuseppe Pittau, the aide to Father Dezza.

Pope Promises End to His Rule of Jesuits

By Henry Kamm
New York Times Service

ROME — Sternly calling the Society of Jesus to strict obedience to his authority, Pope John Paul II nonetheless has taken the first step in end his direct rule over the embattled Jesuit order.

In a dramatic audience Saturday with more than 100 top Jesuit leaders and provincial superiors from all over the world, the pope announced a general congregation of the order would be called before the end of the year to elect a successor to the ailing superior general, the Rev. Pedro Ar-

rupe, 74.

In October, the pope, displeased with many Jesuits' advocacy of the most liberal interpretation of the decisions of the Second Vatican Council and their activism in social causes, had named an 80-year-old Italian Jesuit as his special delegate to run the order.

In doing so, he overruled Father Arrupe, who, after having a stroke in August, had appointed an American Jesuit, the Rev. Vincent O'Keefe, to succeed as vicar until a new superior general could be elected.

Preparation for Election

Jesuit sources said a congregation to elect a successor required at least six months' preparation, and they did not expect the return to normal leadership to come before the middle of next year. But many who were interviewed at their Rome headquarters after meeting with the pope expressed relief at Saturday's developments.

Before the papal audience, Jesuits had expressed concern that the pope would indefinitely continue the rule by his delegate, the Rev. Paolo Dezza, and would severely criticize the order's performance under Father Arrupe.

Although these fears were allayed Saturday, John Paul was stern and pointed in telling the Jesuits what he expected of them. He reminded them that they were required to make a pledge of special loyalty to the pope.

The pope went on to extend this need for loyalty not only to himself but to all the bishops. Religious Jesuits have often had strained relations with bishops in whose dioceses they served.

Without directly citing differences in interpretation of the decisions of the Second Vatican

Council of 1962-65, which he interprets more conservatively than do most Jesuits, John Paul strongly presented his own view.

He emphasized that the council's decisions are to be carried out "not according to personal criteria or psychosociological theories."

"There is no more room for deviations certainly harmful to the vitality of the religious communities and the church as a whole," he said.

The pope warned the Jesuits that the church's concern for social justice must be exercised in keeping with their priestly vocation.

"This character must be even more emphasized today against multifaceted tendencies to secularize the priest's service and to reduce it to a function that is purely philanthropic," he said. "His service is not that of the physician, the social worker, the politician or the trade unionist. They must not take the place of laymen and even less neglect the task which is specifically theirs."

Reading his 18-page text — starting in Italian, then in French, then in English — the pope received the announcement of his decision to allow an election of a new superior general for his pronunciation in Spanish.

As the Jesuits filed out of the audience, they spoke with satisfaction of the things that the pope had not said. They noted the critical statements had not been directed to the Jesuits specifically but had been put in general terms.

They noted the pope had spoken with warmth of their superior general, a Basque who enjoys deep affection within the order, and had addressed him as "Carissimo Padre Arrupe."

The conciliatory spirit was foreshadowed Saturday morning when Father Arrupe and the provincial superiors jointly said Mass in the Jesuits' chapel.

In a homily he introduced and then had read on his behalf, the superior general praised the "full and filial obedience" with which the society had obeyed the pope's special measures. He urged them to accept the measures not only with obedience but also with joy.

Asked whether this meant the Jesuits had "submitted," a leading member of the order replied with a broad smile, "Don't you believe it!"

W. German Party Unit Undercuts Coalition, Asks Nuclear-Free Zone

By John Vinocur
New York Times Service

BONN — A regional convention of the Free Democratic Party has called for the establishment of a nuclear-free zone in Europe, a position contradicting that of Foreign Minister Hans-Dietrich Genscher, the party's national chairman.

The vote at the Baden-Württemberg party convention Saturday in Göppingen came after the group was told by the chairman of the party's parliamentary group, Wolfgang Mishnick, that the establishment of such a zone in Western Europe could lead to possible nuclear blackmail by the Soviet Union.

The regional group's action undercut the security position of the Bonn government, of which the Free Democratic Party is the junior coalition partner. It was the first such decision by a Free Democratic state party organization, and it followed a pattern of rebelliousness against nuclear policy apparent in the Social Democratic Party.

It is now expected that Mr. Genscher, who threatened the party's last national convention with resignation if the Free Democrats turned their backs on NATO's missile deployment policy, will have to fight within the party to hold it to the government's course on security matters.

The motion, passed by the regional group by a large majority,

set conditions for the attempted establishment of a nuclear-free zone. The conditions were the successful conclusion of U.S.-Soviet negotiations on medium-range nuclear missiles and a readiness to improve conventional forces.

Minister Declines U.S. Rights Post

United Press International

WASHINGTON — The Rev. B. Samuel Hart says he has withdrawn his name from consideration as President Reagan's nominee to the Civil Rights Commission because he does not wish to "contribute further to any division among our people."

A White House spokesman said Friday that Mr. Reagan had agreed to withdraw Mr. Hart's nomination. Civil rights groups have denounced the evangelist's opposition to the Equal Rights Amendment, homosexual rights, the theory of evolution and the denial of tax exemptions in segregated private schools.

Mr. Hart, 52, said in a telephone interview that he had withdrawn because "the constant phone calls and harassment of the press are taking me from my primary Christian ministries" and because he observed "a divisive attitude among the very people that the Civil Rights Commission is intended to help and protect."

WORLDWIDE ENTERTAINMENT

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335 F

22 h 30 Revue et 0 h 30 champagne

230 F

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Film Director Teinosuke Kinugasa, Winner of Oscar in 1954, Dies at 86

United Press International

TOKYO — Teinosuke Kinugasa, a Japanese director who won an Oscar in 1954, died Saturday at his home in Kyoto, his family said.

Mr. Kinugasa's film "Jigoku"

adopted as the "National Romanization" by the Chinese government in 1928. It bore his name and remained the standard transliteration method until it was replaced by the Pinyin spelling system in 1950.

OBITUARIES

Sir Ronald Bell

LONDON (AP) — Sir Ronald Bell, 67, a Conservative Party legislator, collapsed and died Saturday in his office in the House of Commons shortly after presiding over a meeting of members of Parliament opposed to membership in the European Economic Community.

Col. Gen. Nikolai Trufanov

MOSCOW (Reuters) — Col. Gen. Nikolai Trufanov, 81, chief Soviet military adviser in the Chinese Army from 1957 to 1960, has died, the Soviet Defense Ministry announced Friday.

Born in China and educated in the United States, Mr. Chao developed a phonetic alphabet that was

In War of Nerves, Lebanon Braces Against Israeli Threat

By John Kifner
New York Times Service

TYRE, Lebanon — The headquarters on the "western front" is a sandbagged basement of a bombed-out house and a nearby tent on a concrete slab. They are on the edge of this ancient port in an alley off a side street of houses flattened during the last round of fighting in southern Lebanon.

"We expect the attack at any time, from minute to minute," said the Palestinian guerrilla commander, who operates under the name of Col. Asmeh. "We are ready to die fighting or to win, for there is nothing at our backs but the sea."

Carefully, the colonel, a former Jordanian Army officer, went over a map. He pointed out the villages in the enclave on the Israeli-Lebanese border controlled by breakaway Lebanese Army Maj. Saad Haddad. He noted where there were buildup of Israeli troops and armor.

Nearly every day, for more than a month now, there has been a tough warning from one high-ranking Israeli official or another that any provocation from the Palestinians will bring a swift invasion to clean out the guerrilla bases in southern Lebanon. Moshe Arens, Israel's new ambassador in the United States, recently said of Israeli military action: "I would almost say it's a matter of time."

The Reagan administration has sent in its special Middle East envoy, Philip C. Habib, to try to shore up the cease-fire he helped arrange in July. Meanwhile, the United Nations voted to add another 1,000 troops to the 6,000-man force that tries to keep apart what are dryly described as "de facto forces" — Maj. Haddad's Israeli-backed militia — and "armed elements" — Palestinian guerrillas and Lebanese leftists.

War of Nerves

Invasion jitters are hardly new to Lebanon, the killing ground for so many Middle East disputes. They have been another unpleasant fact of life since the Israelis last invaded and pushed up to the Litani River in 1978. It is possible the current Israeli threats are in reality part of a war of nerves to keep the Arabs off balance and to win some concessions from the Americans in exchange for good behavior.

But the threats — and reports by UN observers of Israeli troop movements along the border and in "Haddad land" — are being taken with considerable seriousness. There is a growing feeling that an invasion is all but inevitable and that the fighting is likely to be big and bloody.

Mr. Habib flew into Beirut Friday. He is generally held in reserve and launched only when the State Department thinks the Israelis are about to do something rash. United Nations officials have also been trying to put pressure on the various combatants. Palestinian guerrilla chief Yasser Arafat, UN sources say, has promised to confront his men, but fringe elements could always strike out on their own.

One factor that keeps pushing toward a showdown is that, quite simply, the Palestinians are getting stronger and the Israelis are unlikely to tolerate this. While observers here discount reports of an extensive military buildup, it is clear the guerrillas have been strengthening their positions and bringing in new weapons, including heavy artillery and mobile truck-mounted Grad rockets used so effectively last July. However, the guerrillas are far from ready to challenge the Israelis in conventional military terms. They are seriously lacking in effective anti-aircraft weapons, military sources say.

Israeli military leaders have re-

portedly held several meetings with Bashir Gemayel, leader of the Maronite Catholic militia, raising the possibility of an invasion coor-

dinated with an attack by rightist Maronite forces on Palestinian or Syrian positions in Beirut or near the airport.

On the Palestinian-leftist side, perhaps the most crucial factor

will be the role of the Shiite Moslem community native to southern Lebanon and their Amal (Hope) militia. Although nominally allied with the left, the Shiites have clashed repeatedly with Palestinian guerrillas and Lebanese leftists in the south. The Amal organization is believed to be badly fragmented and infiltrated by several of the factions and outside interests that keep armed politics boiling in Lebanon.

Shiites resent the continued Palestinian presence, fearing the guerrillas will be permanently implanted on their land. Israeli bombing and shelling have also turned some Shiites against the Palestinians, as they were doubtless meant to do.

Maj. Haddad's militia, once mainly Christian, is now believed to contain as much as 40 percent Shiites. Syria has also been supporting Shiite elements, possibly with the aim of using them to keep Mr. Arafat's guerrillas in line.

For the moment, diplomats in Beirut and guerrilla leaders feel Mr. Habib's tour and a visit to Israel later this week by French President François Mitterrand will keep the lid on. But for many, the question remains not whether, but when.

Israel Insists Mubarak Visit Include Jerusalem

By William Claiborne
Washington Post Service

JERUSALEM — The Israeli government warned President Hosni Mubarak of Egypt Sunday that if he refuses to include Jerusalem in his planned visit to Israel, the visit will be canceled.

The warning was contained in a statement approved by Prime Minister Menachem Begin and his Cabinet after Foreign Minister Yitzhak Shamir briefed the ministers on his visit last week to Cairo. Mr. Shamir met with the Egyptian leader during the visit.

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International Bond Prices - Week of Feb. 25

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

RECENT ISSUES

Am1	Security	Sht	Issue P.	Mtd Pr. Yield	Yield		
					%	Mtd	Middle
\$ 80	Honda Motor Co L25	c	100	91 1/2			
	5 1/2% 1987 Feb						
\$ 100	Commerz Int'l Bank	s	100	100 1/4	1.50%		
	15 1/2% 1987 Mar						
dm 130							
	10 1/2% 1988 Mar						
dm 150							
	15 1/2% 1992 Mar						
dm 200	Euro Europa Golden Corn	s	99	99 1/4	2.74%	1.64%	
	10 1/2% 1990						
\$ 25	New Brunswick Electr	s	99	99 1/2	1.80	1.60%	
	10 1/2% 1987 Mar						
dm 200	Austrian Credit	s	100	100 1/2	1.80	1.60%	
	10 1/2% 1987 Feb						
\$ 40	WestLB Agt Fin	s	100	100 2/4	1.95	1.75%	
	15 1/2% 1987 Feb						
dm 50							
	15 1/2% 1992 Feb						
\$ 75	General Motors	s	100	99 3/4	0.97	0.90%	
	10 1/2% 1987 Feb						
120	Arizona Fins	s	99 1/2	97 1/2	1.61	1.50%	
	10 1/2% 1987 Feb						
160	McDonalds Corp	s	100	99 1/4	1.78	1.60%	
	10 1/2% 1987 Feb						
dm 150	Prov Of Quebec	s	100 1/4	100 1/4	1.08	1.00%	
	10 1/2% 1992 Feb						
\$ 175	Great Lakes Power	s	100 1/4	100 1/4	1.08	1.00%	
	10 1/2% 1987 Feb						
dm 150	Hydro-Electric	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 190	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	99 1/2	99 3/4	1.08	1.00%	
	10 1/2% 1987 Feb						
\$ 210	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 230	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 250	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 270	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 290	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 310	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 330	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 350	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 370	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 390	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 410	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 430	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 450	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 470	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 490	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 510	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 530	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 550	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 570	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 590	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 610	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
\$ 630	Hydro-Quebec	s	100	100 1/2	1.00	1.00%	
	10 1/2% 1987 Feb						
dm 150	Ontario Hydro	s	10				

Analysts Challenge Alternative U.S. Budgets

By John M. Berry

Washington Post Service

WASHINGTON — In the upside-down economic world of 1982, Democrats and Republicans are vying with one another in the midst of a recession to reduce the size of the federal budget deficit. If they are successful, the tighter fiscal policy would taken alone, likely mean an even more depressed economy.

During previous recessions, most members of both political parties rushed in the other direction, cobbled packages of spending programs and tax cuts that were supposed to stimulate the economy.

Now, Sen. Ernest F. Hollings, Democrat of South Carolina, is urging Congress to adopt a \$1.15 billion set of tax increases and spending cuts that would chop the 1983 deficit to less than half the level proposed by President Reagan.

Sen. Pete V. Domenici, Republican of New Mexico, chairman of the Senate Budget Committee, this week offered a different and somewhat less austere scheme, but it, too, calls for a drastic tightening of fiscal policy.

"If we follow the path I have outlined, we can effect a dramatic turnaround in the economy," Mr. Hollings promised when he presented his plan.

"Deficits will be eliminated; in-

terest rates will go down; and everyone can go back to work."

Well, perhaps not everyone. Miffed at the Hollings initiative, which Treasury Secretary Donald T. Regan called "ridiculous," the administration asked Data Resources Inc., to crank the details through its computer model of the economy.

The results showed that while budget deficits would be much

NEWS ANALYSIS

smaller, interest rates would not be at all that much lower and unemployment in 1983, would be a whopping 10.8 percent. At the same time, inflation would be less than a percentage point lower than DRI's basic forecast.

While different analysts might quibble with DRI's specific numbers, few would challenge the direction of the results: If other policies are unchanged, reducing a budget deficit will reduce the level of economic activity, they say.

To argue to the contrary would require standing modern economic history on its head. Raising taxes by \$1 billion, or reducing government spending by \$1 billion, means there is \$1 billion less in private hands to be spent or, in some part, saved. Unless private spending goes up by the same \$1 billion, fully offsetting the change in the federal budget, the total demand

for goods and services in the economy will fall.

The explicit assumption by Sen. Hollings seems to be that a reduced budget deficit will lead to lower interest rates, which in turn will stimulate private sector spending, particularly for houses and business investment. But no well-known model of the economy, either Keynesian or monetarist, would show such a fall in interest rates that private spending would go up by nearly as much as the budget deficit goes down.

Thus, predictably, the DRI computer model indicates that the Hollings proposal would mean essentially no recovery from the recession, or worse, for the next four years, if monetary policy is left unchanged.

What people ought to be talking about is the need for a combined operation, a substantial reduction of the deficit and a somewhat easier monetary policy," Charles L. Schultz, President Carter's chief economic adviser, said.

The payoff from such a shift in the mix of policies would not necessarily be faster economic growth and a more rapid reduction in unemployment, but rather more investment by business and in housing and less consumption by individuals, Mr. Schultz said.

The Reagan administration has argued that the deficits it projects for 1983, 1984 and 1985, which

add up to more than \$246 billion, will not hurt business investment and that the depressed housing industry will lead this year's recovery. A surge in saving will allow financing of the deficits, more private sector investment and declining interest rates, the administration claims.

But since the Reagan budget and economic forecast was published this month, a wide range of private economists — Republican and Democratic, conservative and liberal — have questioned whether such a rosy outcome is likely.

In particular, they generally believe there will be a clash between the administration's loose fiscal policy and the Federal Reserve's tight money policy. This clash, many think, will generate another bout of sky-high interest rates and abort any recovery from the recent recession within six months or so.

For instance, this week, Donald Maude, chief financial economist for Merrill Lynch, told a New York business conference that the "battle lines between an expansionary fiscal and a highly restrictive monetary policy" have been drawn. The recovery later this year will be "sub-par," he said.

This is the context in which Messrs. Hollings, Domenici and other members of Congress have been trying to come up with major changes in the Reagan budget. For political and economic reasons,



Ernest F. Hollings
See "dramatic turnaround"

they want a smaller deficit — along with a somewhat different pattern for federal spending, including smaller increases for defense.

But almost all of the attention has been focused on the size of the deficit and its link in interest rates rather than on the equally important role of monetary policy.

To sort all this out, economists are saying their companies might not compete in the new market. Even before the battle over the new product starts, some U.S. companies are conceding the market to the Japanese.

(Continued on Page 9, Col. 4)

Developing Nations Are Showing Signs Of Liquidity Squeeze

By Carl Gewirtz

International Herald Tribune

PARIS — Rapidly declining liquidity of developing countries is fueling new worries about the financial health of the world's poorest nations.

The February issue of the Amex Bank Review notes that developing countries' reserves (foreign exchange, gold and special drawing rights) fell 15 percent last year, equal to the low levels last seen in 1975, reducing the cash in hand needed to finance the smooth flow of imports.

It is generally agreed that, as a great deal of trade is financed on a 90-day basis, reserves ought to total a minimum of three months' worth of imports. However, the review notes, "these reserves cover 3.4

SYNDICATED LOANS

months of imports, compared to over four months of imports in 1980 and the peak of 4.7 months in 1978."

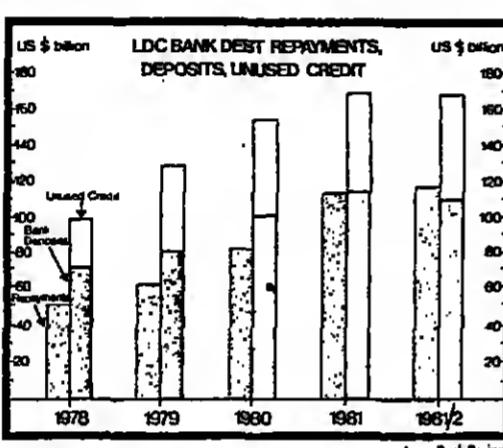
Mexico, for example, had reserves totaling the equivalent of 1.7 months of imports last year, down from 1.8 months a year earlier and 2.6 months in 1975. Brazil and South Korea both registered 2.9 months of reserves while the Philippines with a ratio of 3.1 months barely passed the minimum barrier.

The countries in a worse liquidity position, 1981 compared to 1975, outnumber countries in a similar or better position by almost 2-to-1, the report says.

The bank also notes that the bank debt of the so-called less developed countries last year exceeded their deposits with banks for the first time in the past five years.

Total LDC bank debt at June 1981 is put at \$257.4 billion, of which \$117.8 billion falls due by June 1982. However, the mid-year level of deposits totaled \$109.6 billion. In 1978, by contrast, deposits of \$71 billion were almost half as much again as debts totaling \$50 million maturing during that year.

"This does not mean that there is a severe liquidity crisis as yet," the bank states, "since LDCs can also



In 1981 developing countries' maturing debt to banks overtook the level of their bank deposits.

call upon \$59 billion worth of unused credit commitments, which in many cases can be drawn down to meet liquidity needs.

"However, the outstanding unused credit has also been declining. In 1978, unused credit commitments covered more than three-quarters of bank repayments during the year, whereas by mid-1981 this ratio had fallen to under half maturing bank debts."

Taking the 10 non-OPEC LDCs with the most debt to banks — Mexico, Brazil, Argentina, South Korea, the Philippines, Chile, Taiwan, Colombia, Thailand and Peru — as of June 1981, debts maturing in the current 12 months to June 1982 exceeded deposits and unused credit facilities combined for these 10 LDCs."

The bank warns that "in the face of international recession, low commodity prices and high world interest rates, rebuilding reserves will be difficult." The 10 biggest borrowers, however, "should still be able to add to reserves by borrowing," the bank states.

Bankers generally warn that borrowing this year will be more difficult and that borrowers will have to face up to paying more for their loans than the low margins over Libor accorded in recent years.

"Borrowers are also going to have to learn new operating techniques," says one senior loan officer. "Up to now, they have relied on the competition between

(Continued on Page 9, Col. 1)

New Issues Swell as Rates Decline

By Carl Gewirtz

International Herald Tribune

PARIS — The Eurobond market came alive last week, with some \$1.2 billion of new issues launched in the wake of a near \$3-billion decline in the U.S. money supply the week before and a continual easing in the cost of overnight money.

Issuers did well to move as fast as they did. By the end of the week conditions had changed.

By mid-week, the cost of overnight funds started moving up

EUROBONDS

from what many analysts had regarded as unnaturally low levels and late Friday the Federal Reserve delivered the ultimate blow, reporting a \$1.2-billion increase in the money supply when most forecasts had called for a continued decline or, at worst, no growth.

The rate on overnight money, the federal funds rate, which is regarded as the handiest measure of the Fed's permissiveness or restraint, traded as high as 14% percent in New York on Friday, up from 13 percent on Thursday and 12 percent Wednesday. New York closed with dealers forecasting an opening rate Monday of 14% percent.

At best, the Fed is expected in misaligned conditions, tolerating no further easing in rates but out squeezing them higher either. At worst, of course, is the fear that the Fed will tighten up as the M-1 measure of the money supply is growing faster than the Fed has targeted and as the corporate demand for bank loans is quite high, indicating perhaps that the worst of the recession is over.

This is bad news for the Eurobond market, where most of the new issues announced last week were pre-priced with terms that anticipated a further fall in interest rates.

Only five of the new issues were regarded as being well received:

- Austria's \$150-million, six-year issue offered at 99% bearing a coupon of 15% percent to yield 15.57 percent. Only \$75 million was initially on offer with the remainder due to be "tapped" into the market as conditions warrant. In fact, \$53 million of the re-

maining \$75 million was sold last week.

• Canada's \$150-million, five-year paper offered at 99% bearing a coupon of 15% percent. The issue is guaranteed by lead manager Morgan Guaranty Ltd. as a stopgap until the Canadian parliament approves the government guarantee, expected no later than April.

• The World Bank's \$250-million, six-year bonds bearing a coupon of 15% percent but offered at 99% to yield 15.46 percent.

• Citicorp's \$125 million (increased from the initially indicated \$100 million) of three-year notes extendable to 15 years. A new coupon will be set every three years and at each anniversary the issuer can decide to call the issue or investors can decide to request redemption. The initial terms were a coupon of 15% percent and an issue price of par.

• Burroughs Corp.'s \$50 million of six-year bonds, offered with an indicated coupon of 15% percent.

The final terms and issue price will be set this week.

Three issues completed for the title of least well received. These were:

• The European Investment Bank's \$150 million of seven-year bonds offered at par bearing a coupon of 15% percent. The terms are considered a touch too stingy.

In addition, bankers remark that it is easy to overlook EIB paper when there are so many new issues to choose from. All holders of this paper are assured of an average life of five years as redemption will be made "serially" — meaning a portion of each security will be paid at the end of the fifth year.

• France's Caisse Nationale des Autouroutes, seeking \$75 million and offering a coupon of 15% percent with pricing at par. The rub here is the long 15-year maturity, despite the average life of 10% years which will be achieved through a sinking fund starting at the end of the fifth year.

• Hiram Walker's \$75 million of seven-year bonds offered at par bearing a coupon of 16% percent. It traded on a when-issued basis of 98 and bankers, who like the credit, had no easy explanation for the dull reception other than to note that "sin never sells well." Walker is a leading Canadian distiller.

Launched on Friday, and there-

CURRENCY RATES

Interbank exchange rates for Feb. 26, 1982, excluding bank service charges.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225</th

International Bond Prices—Week of Feb. 25

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Amt.	Security	% Mat.	Middle Price	Conv. Pct.	Conv. Yld.	Covt. Pct.	Conv. Pct.	Amt.	Security	% Mat.	Middle Price	Conv. Pct.	Conv. Yld.	Covt. Pct.	Conv. Pct.	Amt.	Security	% Mat.	Middle Price	Conv. Pct.	Conv. Yld.	Covt. Pct.	Conv. Pct.							
(Continued from Page 6)																														
dm 200	Eds Europe Inv Fund	1/12 20 Dec	81.12	82.78	2.64	dm 150	Kobe City	2/14 26 Oct	82.44	84.12	2.57	dm 100	Boda (Brazil)	8/12 17 Aug	88.32	88.17	2.50	dm 100	Conair Inc	3/30 1979 Dec	100.97	100.97	2.50	dm 125	Kalifornia Inv Fund	1/12 21 Jan	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 21 Jan	81.12	82.78	2.64	dm 150	Kobe City	2/14 26 Oct	82.44	84.12	2.57	dm 100	Eds Europe Inv Fund	2/14 26 Oct	82.44	84.12	2.57	dm 100	Conair Inc	3/30 1979 Dec	100.97	100.97	2.50	dm 125	Kalifornia Inv Fund	1/12 21 Jan	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 22 Feb	81.12	82.78	2.64	dm 150	Nittohoku Chem	2/24 23 Sep	82.34	82.71	2.55	dm 100	Comme Verte Dri Rdo Doce	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 22 Feb	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 23 Mar	81.12	82.78	2.64	dm 150	Nissens Tel/Fel	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 23 Mar	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 24 Apr	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 24 Apr	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 25 May	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 25 May	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 26 Jun	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 26 Jun	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 27 Jul	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 27 Jul	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 28 Aug	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 28 Aug	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 29 Sep	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 29 Sep	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 30 Oct	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 30 Oct	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/12 31 Nov	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/12 31 Nov	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 01 Dec	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/13 01 Dec	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 02 Jan	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/13 02 Jan	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 03 Feb	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/13 03 Feb	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 04 Mar	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/13 04 Mar	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 05 Apr	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/13 05 Apr	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 06 May	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/13 06 May	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 07 Jun	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/13 07 Jun	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 08 Jul	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm	3/15 1979 Dec	100.97	100.97	2.50	dm 125	Eds Europe Inv Fund	1/13 08 Jul	100.75	100.75	2.50	dm 200
dm 200	Eds Europe Inv Fund	1/13 09 Aug	81.12	82.78	2.64	dm 150	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Eds Europe Inv Fund	2/24 23 Sep	82.34	82.71	2.55	dm 100	Dow Jones Ind Chm											

Developing Nations in Cash Pinch

(Continued from Page 7)
banks to squeeze out the best possible conditions."

But that competition is fading as banks stay away from expanding their exposure.

Currently, Mexico's state oil agency Pemex is tapping the international market for \$2 billion and managers report the operation is a tremendous success despite the withdrawal of MidEast banks. Interest on the four-year loan, renewable for four years at the option of leaders, is set at 1% point over the London interbank rate.

Because the margin is the highest seen on such high-grade Mexican paper since 1979, banks have clamored to get into the deal and the lead management group, which started with 20 banks each underwriting \$100 million, now consists of 29 banks and will rise to 30. Managers insist that the increased participation will not result in a larger loan to Pemex but rather will be used to reduce the amount each bank is asked to underwrite.

The managers claim that the reduction in the underwriting commitment (which results in smaller commissions for each participant)irked the Arabs and resulted in their pullout. But Arab Banking Corp. says it was not consulted on the strategy decision to widen the management group rather than inviting other banks into a secondary co-manager status.

Another operation that has generated some heat is a \$175-million short-term facility for Pakistan. Originally seeking a \$350-million loan, Pakistan changed its mind midway during the negotiations, bankers report, and sought terms on a smaller loan. Citibank pulled out, arguing that the terms Pakistan was insisting on were unjustifiably low. Others in the syndicate say that Citibank was piqued be-

cause it was not asked to bid on a willingness to pay a 2-point margin over prime.

Meanwhile, Reuters reports from Rio de Janeiro that Brazil has covered \$3 billion of the \$13.6 billion it needs in foreign loans in 1982.

Banco do Chile is raising \$50 million for seven years through a note issuance facility. Banks will underwrite the loan and receive three-, six- or 12-month notes which they are free to market. Interest on the notes will be set at a quarter-point over Libor. Managers earn a 1% percent underwriting fee as well as a front-end participation fee of 1/4 percent.

Venezuela's agricultural development bank Bandaraga is raising \$200 million for two years and renewable at the option of lenders for a further three years. Interest will be set at 1/4 point over Libor for the first three years and 1/2 over Libor for the final four. Lenders using the prime rate as a base will be paid 1/4 points less on both portions. The only difference in terms with those set recently by Argentina's petroleum company YPF is that the front-end fees and legal costs, which are reported to be slightly more generous to the banks.

From Brazil, CESP, the São Paulo electric utility, is seeking \$250 million for eight years, offering 2% points over Libor or 1% point over the prime rate. The notable element in this transaction is the widening quarter-point gap between Libor and prime margins.

The usual standard was an eighth of a point difference. But borrowers argue that as the prime already includes a profit for the banks whereas Libor is more of a "wholesale" rate there should be more of a gap.

Next in line is Electrobras, which is looking for \$300 million for eight years at terms identical to CESP's. However, if managers are willing to restrict the amount of the loan tied to the prime rate to no more than 40-to-50 percent of the total, Electrobras has indicated

Experts Question Alternative Plans For U.S. Budget

(Continued from Page 7)

gross national product — that is, the rate of increase in real output plus inflation — they want. The Reagan administration projects annual increases in nominal GNP averaging about 10 percent a year for the next five years, a pace that Mr. Penner and several of his AEI colleagues regard as inflationary.

Federal Reserve policy is aimed at producing only an 8% percent year and declining year by year after that.

One key question in choosing a target rate of growth for nominal GNP is how much pressure one wants to keep on inflation. The lower nominal GNP growth, the less rapid will be the recovery from recession with unemployment staying higher, longer.

So far, none of the proposals emerging on Capitol Hill to tame the budget deficit is very explicit about some basic questions: What rate of economic growth do Messrs. Hollings, Domenici and other alternative-budget authors have in mind? How much of an easing of monetary policy, if any, is needed to offset the restraining effects of reducing prospective federal budget deficits?

Aiming a bit lower for nominal GNP growth while having something faster money growth would, in present circumstances, probably still leave interest rates at very high levels relative to inflation. But it might also make less likely a broad-based collision between monetary and fiscal policy about a year from now.

In Europe, Denmark's three-part finance package is nearing the \$1-billion mark, as expected, with \$950 million committed so far. The \$500-million portion based over the prime rate has been increased to \$600 million and the \$200-million portion based over Libor has been raised to \$250 million. Already completed is a \$100-million floating rate note.

In the Far East, Philippine Long Distance Telephone Co. is raising a \$110-million, 1 1/4 year loan which is being syndicated for 10 years. Interest is set at one point over Libor for the first seven years and 1/4 for the remainder with a half-percent commitment fee. The National Development Corp. is expected to come to market for up to \$250 million.

In Australia, CSR is seeking \$950 million to repay \$600 million in bridging loans taken out last September to finance the takeover of Delhi Oil and also to meet future capital needs of Delhi for its Cooper Basin gas and liquids project in South Australia.

The 12-year loan is broken into two parts: a \$100-million standby loan and an \$850-million non-recourse project loan. Interest will be set at 1/4 point over Libor for the first four years and 1/2 point over thereafter. When conditions on exploration have met certain conditions and the non-recourse clause of the loan becomes operable, interest on the project loan will rise to 1/2 point over Libor through 1986, then 0.8 point over Libor through 1991 and 0.9 point over Libor thereafter. CSR will pay a commitment fee of 1/4 percent and a front-end fee of 1/4 percent.

British Caledonian Airways is seeking \$165 million for 10 years to finance the purchase of three Aibus. The loan will not be drawn until delivery, expected to start in February 1984, and until then BC will pay a commitment fee. However, managers Bank of America and National Westminster were unwilling to state the size of either the fee or the margin over Libor to be charged when the loan is drawn.

Consolidated Trading Of AMEX Listings

Week Ended Feb. 24

	Total	Dollar Equivalent
Int'l inst. lg. term U.S.\$	15.70 %	
Ind. long term, U.S.\$	15.37 %	
Ind. medium term, U.S.\$	15.95 %	
Can. S medium term	15.95 %	
French fr. medium term	16.28 %	
Int'l inst. lg. term yen	8.29 %	
ECU medium term ...	13.89 %	
EUA long term	12.16 %	
Int'l inst. lg. term LF ...	12.62 %	
FL long term	12.62 %	
Market Turnover Week Ended Feb. 26 (Millions of U.S. Dollars)		
Cedil	6,216.1	5,276.9
Euroci	12,006	11,447
Total	839.2	558.8

Saudis Increase Imports, Exports

United Press International

JEDDAH — Saudi Arabia has reported major increases in its 1981 imports and exports and said Japan topped its list of business partners.

The Ministry of Finance and National Economy said Saturday the country's total 1981 exports reached a record \$117.5 billion, an increase of \$12.2 billion over 1980.

It said Saudi Arabia imported \$34.5 billion worth of goods with Japan topping the list at \$9.3 billion. The United States came second, with \$7.25 billion.

Nova Scotia's \$75 million of seven-year bonds, offered at par bearing a coupon of 15% percent.

In the floating-rate sector, Dome Petroleum is offering \$50 million of seven-year notes with interest set at a quarter-point over Libor. Each note bears two warrants, exercisable over the next 12 months, to buy seven-year fixed-rate paper bearing a coupon of 16% percent.

"Too Exotic"

In the Deutsche mark sector, issues of Telefonica of Spain (100 million DM of 10-year bonds offered with a coupon of 10% percent) and Mexico's Nacional Financiera (150 million DM of eight-year paper offered with a coupon of 11% percent) were regarded as too exotic and were trading on a when-issued basis at 14-point discounts.

Bankers expressed some surprise at the terms on the 100 million

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Final Approval of Ford Pact Appears Certain

By Donald Wourar
Los Angeles Times Service

DETROIT — Worker approval of a historic labor agreement between Ford Motor and the United Auto Workers appeared a virtual certainty over the weekend, setting the stage for a likely resumption of talks at General Motors Corp.

The vote was 75 percent in favor of the agreement by late Friday, when 57 of the 94 Ford union locals had finished balloting. Union leaders were confident the pact would win final approval Sunday and take effect Monday.

The voter turnout has been low, which a union official in Detroit speculated was because the early results have been so lopsided.

Many who would have voted in favor are not bothering to vote at all.

The plant closings and the details of the Ford agreement, which contains fewer worker concessions than many expected, have apparently changed the thinking of many GM workers on the question of returning to the bargaining table.

A number of rank-and-file members of the union's national bargaining committee say their members are willing to talk again.

The agreement freezes the average \$9.90-an-hour base wage of Ford workers for 30 months.

It defers cost-of-living increases for nine months, and eliminates what would have been 24 paid days off between now and the September 1984 expiration date of the contract.

Similar talks failed at GM in January. The collapse stemmed from widespread opposition among workers, who noted that the company earned a profit last year in contrast to Ford's \$1 billion deficit.

Since then, GM has made good on a promise to close plants that it

were uncompetitive with outside facilities. Of eight GM plants whose closings have been announced since the failure of the UAW negotiations, five — carrying about 11,000 workers — are being packed because of high labor costs. Some assembly plants in Dearborn, Mich., recorded a 64-percent yes vote by late Friday with voting at 12 of 14 units completed. Some of the most active unions opposition to granting Ford concessions was centered at the Rouge local.

It is no secret that union boss Douglas Fraser would rather bargain now than in September, when negotiations would normally resume.

2 in California Charged In Computer-Chip Theft

United Press International

SAN JOSE, Calif. — Two men have been charged with grand theft and burglary in the theft of \$3.2 million worth of computer chips from Monolithic Memories Inc. in Sunnyvale, Calif., last November.

Abel Urbina, 25, and Ronald Washington, 30, who was a security guard at the company, were charged Friday. The \$3.2 million chips have not been recovered, and authorities said some may have already been sold and installed in computers.



This announcement appears as a matter of record only



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February, 1982

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Manufacturers Hanover Limited

Union Bank of Switzerland (Securities) Limited

International Bond Prices - Week of Feb. 25

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

(Continued from Page 8)

Am't	Security	Middle Conv. Price/Period	Conv.Pr.	Conv. Yld.	Curr. Yld.	Conv. %pt.	Conv. %pt. 30%
AMERICAN AIRLINES INC.							
530	North American	3 1/2% 1996 Sep	3 1/2	1.28			
530	North American	4 1/4% 1996 Oct	4.45	1.37			
115	Oriental Finance Co	1 1/2% 1990 Jan	1.49	1.21			
530	Oriental Finance Co	1 1/2% 1990 Oct	1.49	1.21			
530	Oriental Finance Co	2 1/4% 1992 Nov	1.4	1.45			
115	Oriental Finance Co	2 1/4% 1992 Nov	1.45	1.45			
530	Oriental Finance Co	3 1/4% 1993 Sep	2.25	2.01			
530	Oriental Finance Co	4 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	5 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	6 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	7 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	8 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	9 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	10 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	11 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	12 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	13 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	14 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	15 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	16 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	17 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	18 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	19 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	20 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	21 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	22 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	23 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	24 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	25 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	26 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	27 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	28 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	29 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	30 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	31 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	32 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	33 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	34 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	35 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	36 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	37 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	38 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	39 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	40 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	41 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	42 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	43 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	44 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	45 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	46 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	47 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	48 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	49 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	50 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	51 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	52 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	53 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	54 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	55 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	56 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	57 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	58 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	59 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	60 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	61 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	62 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	63 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	64 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	65 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	66 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	67 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	68 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	69 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	70 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	71 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	72 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	73 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	74 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	75 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	76 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	77 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	78 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	79 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	80 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	81 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	82 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	83 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	84 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	85 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	86 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	87 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	88 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	89 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	90 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	91 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	92 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	93 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	94 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	95 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	96 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	97 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	98 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	99 1/4% 1993 Sep	2.45	2.18			
530	Oriental Finance Co	100 1/4% 1993 Sep	2.45</				



United Press International
Rutgers guard Brian Ellerbe held on tight to the ball he'd stolen from Tony Washam (11) during a first-half scramble in Saturday's 74-64 victory over West Virginia. The Mountaineers' defeat ended U.S. college basketball's longest winning streak at 23.

Backstretch's Barrera Back on Top

By Bill Christine
Los Angeles Times Service

ARCADIA, Calif. — In 1979, the people who run New York's Saratoga Race Track threw a party for the four living trainers who had saddled Triple Crown winners. Jimmy Jones (trainer of Citation), Lillian Laurin (Secretariat), Bill Turner (Seattle Slew) and Laz Barrera (Affirmed) were all there.

Suddenly it struck Barrera that the affair might be more like the Last Supper than a party. "When they announced us to the crowd as 'the four living trainers,' that word living hit me," Barrera said.

"I was going to have open-heart surgery in three weeks."

That surgery — three bypasses — took Barrera away from the only business he has known since growing up around Oriental Park in his native Havana. A member of racing's hall of fame, recipient of four Eclipse Awards and the game's leading money-winning trainer from 1978 through 1980, Barrera did not go out of business during his recuperation because his son Larry took charge of his horses (Affirmed).

But in 1981 Barrera's name was

conspicuously absent from the list of top 10 trainers. That's as implausible as a Rockefeller's being overdrawn at the bank.

Now, although the 1982 season is young, Barrera is back. His horses have earned more than a half-million dollars in purses and through mid-February no other trainer is close.

Barrera's strength through the vintage years has been, as they put it on the backstretch, "the big horse" — Bold Forbes, winner of the Kentucky Derby and the Belmont Stakes. Affirmed, Triple Crown champion and twice horse of the year.

And this year, although a couple of stakes do not a paladin make, the potential exists in it's the One, King of a thoroughbred who will try to prove that John Henry is fallible a week from Sunday in the 45th renewal of the Santa Anita Handicap here.

'Like My Chances'

Sitting in his stable office after it's the One had returned from a light gallop, Barrera said: "He is never easy to beat and Charlie Whittingham has some horses [High Counsel, Perrault and Providential II] that will be tough. But I like my chances."

Barrera has new reason to remember the horse. From Affirmed's first crop of foals comes an unnamed filly Barrera will train when she gets to the races next year.

College Basketball Scores

SELECTED RESULTS: SATURDAY EAST

Amherst 74, Williams 59
Boston Col. 72, Seton Hall 74
Bucknell 44, Lehigh 41
Clemson 71, Boston College 60
Colgate 62, New Hampshire 39
Columbia 44, Yale 57
Cornell 73, Brown 63
Delaware 70, Lafayette 68
Duke 70, Boston College 64
Fairfield 58, Northeastern 47
Farnham 61, St. Francis (N.Y.) 80
Georgetown, D.C., 60, Connecticut 42
Holy Cross 62, Army 59
Mass. 62, Boston College 58
Northeastern 74, Holy Cross 62
Penn 72, Harvard 59
Pitt 79, George Washington 70
Princeton 76, Cornell 64
Providence 74, Vt. 59
St. John's (N.Y.) 18, Syracuse 76
Villanova 34, Providence 63
Westover 78, Trinity 76

SOUTHWEST
Arkansas 67, Texas Tech 61
Houston 96, Texas A&M 93
Kansas 74, Oklahoma 69
N. Texas 56, Sam Houston 53
Oklahoma 79, Oklahoma City 76
Oral Roberts 67, Oklahoma City 76
Rice 66, Texas 59

TCU 76, Baylor 54

FAB WEST
Air Force 76, Wyoming 57

Arizona 72, Stamford 67

Broncos 106, San Diego 54, 66

Califorina 76, Arizona 63

Fresno 54, Utah 51

Pittsburgh 74, Colorado 56

Utah 76, Hawaii 70

Washington 51, 63, Washington 42

Wyoming 53, Colorado 57

SELECTED RESULTS: FRIDAY EAST

Columbia 47, Brown 45

Florida 54, Tulane 43

Penn 65, Dartmouth 56

Princeton 71, Cornell 65

Temple 47, Amer. Univ. 63

Yale 74, Cornell 67

MAINE
U-Maine 51, St. John's 51

Montana 51, N. Arizona 43

Oregon 54, Cal State 43

Penn State 106, Son Francisco 103

UCLA 68, Oregon 66

Utah 76, Hawaii 70

Washington 51, 63, Washington 42

Wyoming 53, Colorado 57

TOURNAMENT FINALS: C.I.A.

Hornbeam Inst. 64, Nottingham 67, DT

St. Andrews 55, Va. Western 58

Other Western

San Francisco 51, 71, Sacramento 51

Gulf Coast 51

Livingston 51, Terrell 47

Midwest 51, Illinois 53

Ohio 51, 63, Illinois 53

5, 10, 15, 21, Drake 44

Toledo 85, N. Illinois 84

Upper Iowa 56, Dubuque 45

MIDWEST

Bowling Green 51, Miami 51, WT

Illinoian 51, Michigan 51

Iowa St. 51, Kansas 51

Kentucky 51, Louisville 51

Louisville 51, Michigan 51

Minnesota 51, Florida 56

N. Carolina 51, Duke 44

Tulane 43, Virgina Tech 58

Vanderbilt 88, Alabama 47

West Virginia 51, Georgia 51, 59

William & Mary 58, East Carolina 51

III-Chi. Circle 51, Wisc.-Green Bay 58

FAB WEST

Montana 51, N. Arizona 43

Nav-Ran 51, Idaho 52, OT

Oregon 51, 53, Oregon 58

Texas El Paso 55, Air Force 45

TOURNAMENT FINALS: C.I.A.

Hornbeam Inst. 64, Nottingham 67, DT

St. Andrews 55, Va. Western 58

Other Western

San Francisco 51, 71, Sacramento 51

Gulf Coast 51

Livingston 51, Terrell 47

Midwest 51, Illinois 53

Ohio 51, 63, Illinois 53

5, 10, 15, 21, Drake 44

Toledo 85, N. Illinois 84

Upper Iowa 56, Dubuque 45

Transactions

BASEBALL
American League

CHICAGO—Signed Lemond Hoyt, pitcher, to one-year contract.

MINNESOTA—Signed Lester Fiedel, pitcher.

NEW YORK—Signed Mike Patterson, outfielder.

NATIONAL LEAGUE

ATLANTA BRAVES—Signed Rick Mahler and Bob Walk, pitchers.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

DALLAS—Signed Dick Nelson, defensive coordinator.

HOCKEY

NATIONAL HOCKEY LEAGUE

HARRY FORD—Recalled Roy Neary, right wing, from the Atlanta Thrashers; sent to Binghamton and Delmarvilles; right wing, to Calgary of the Western Junior League.

SOCCER

North American Soccer League

TORONTO—Signed Peter Pezzner, midfielder.

COLLEGE

HOLY CROSS—Signed Frank Novak, receiver coach, in alternative coordinator.

IDAHO STATE—Announced the re-signing of Lynn Archibald, head basketball coach.

WASHINGTON ST.—Named Jim Barrow offensive coordinator.

OPTION & PRICE

COATS

POTS

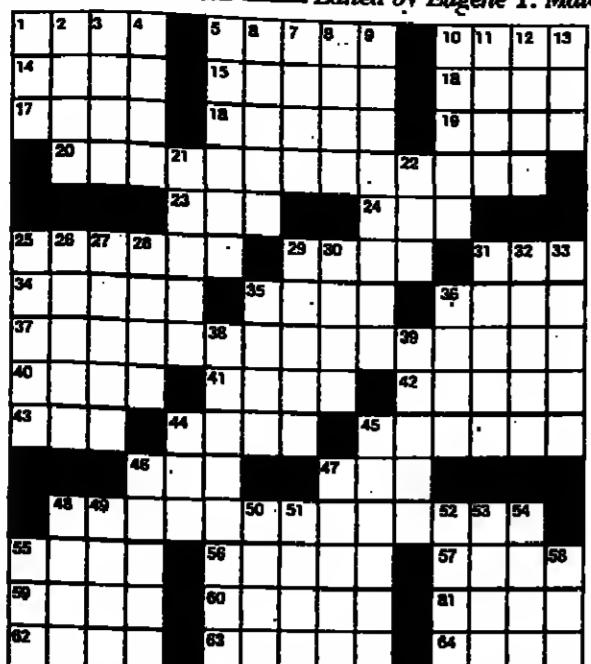
OPTION & PRICE

COATS

POTS</p

CROSSWORD

Edited by Eugene T. Maleska



ACROSS

1 Asian tree
5 Candle threads
10 Retired soccer
man
14 A memorable
Anita
15 Mete out
16 Wading bird
17 Before long
18 Climbing plant
19 Fox
20 Gun
advantage
over
23 Angler's
purchase
24 Prosecute
25 Subordinate
rules
29 "It's!"
31 Needles
32 Daffodil
33 Book of poems
by Ciardi
36 Across Storm
37 Charity
organization
40 Corrida
creature
41 "Break!"—
(actor good-
luck saying)
42 Teheran native
43 Simple sugar
44 Sled
45 Defeated
46 Muscle spasm
47 Department or
river in France
48 Halftime
entertainers

55 Grantland of
sports fame
56 School for
Pierre
57 Mariner
58 Concerning
German
money unit
61 Tax
62 Owner's
document
63 Where one-
armed bandits
are fed
64 "When Irish
..."
DOWN

1 Hirt and
Pacino
2 Cote sounds
3 Booty
4 Domestic slave
5 Year
6 Eat about
Achilles,
Hector et al.
7 Razor
8 Hawaiian
coffee-growing
region
9 Begin
10 Determining
11 Spanish river
12 Beast that has
his pride
13 Abbr. at
Kennedy
21 5.A. bird
22 Shoot
25 — voice
Miserables"

WEATHER

	HIGH	LOW	HIGH	LOW
ALGARVE	17	43	13	25
AMSTERDAM	18	44	12	24
ANKARA	8	46	3	37
ATHINA	14	61	12	29
AUCKLAND	28	62	14	77
BANGKOK	30	62	12	77
BENIN	19	50	14	39
BELGRADE	4	39	-1	21
BERLIN	2	34	-1	21
BOSTON	1	34	4	18
BRAZIL	5	47	4	36
BUCHAREST	6	43	2	26
BUDAPEST	24	79	17	53
BUEBOS AIRES	26	79	12	24
CAIRO	23	73	12	54
CANTON	24	75	12	24
CASABLANCA	1	40	-1	21
CHICAGO	9	52	-1	21
COPENHAGEN	22	73	14	51
COSTA DEL SOL	23	73	14	51
DAMASCUS	14	61	12	41
DUBLIN	12	54	9	48
EDINBURGH	11	52	7	45
FLORENCE	10	50	3	34
FRANKFURT	4	39	-5	23
GENEVA	1	40	-1	21
HELSINKI	4	21	-1	7
HONG KONG	17	62	12	55
HOUSTON	16	61	1	24
ISTANBUL	15	59	4	43
JERUSALEM	1	40	-1	21
LAS PALMAS	20	46	14	31
LIMA	21	70	12	54
LISBON	17	63	12	54
LONDON	10	58	8	44
LOS ANGELES	21	70	12	54

Readings from the previous 24 hours.

«How to buy wine without getting ripped off!»

One of the many
frank and
fascinating
chapters
in Jon Winroth's
wine book
published by the
Herald Tribune

This highly informative book is worth having for this chapter alone! But there's much, much more. Tips, tales and revealing information on wine buying, wine tasting, wine vocabulary and wine snobbery. In fact, it's a wholly new revelation of the wine world. A book you'll read and refer to for years to come and one that will increase your enjoyment and expertise. A super gift idea as well.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

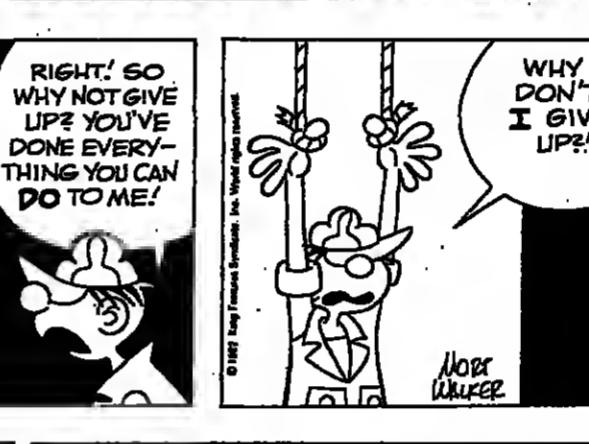
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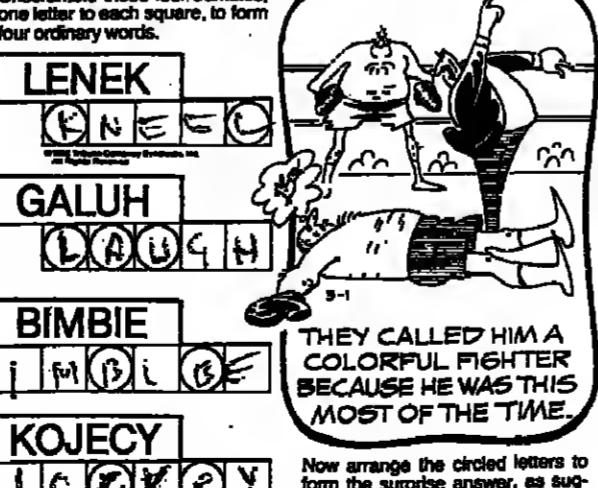
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JUMBLE

THAT SCRABBLING WORD GAME
by Henri Arnold and Bob Lee

DENNIS THE MENACE



BOOKS

BRAIDED LIVES

By Marge Piercy, 441 pp., \$15.50.
Summit Books, 1230 Avenue of the Americas, New York 10020.

Reviewed by Anatole Broyard

"YOU'VE made a fine mess of things! Why didn't you keep denying?" This is Jill, Jill's first lover, speaking for the '50s. He wants Jill to deny to her parents that they are lovers. He denies it himself by describing it in vulgar terms to his friends. He also denies Jill's poetry, saying "most of what you write is just—"

Jill says of her parents that "they want nothing good for me, nothing I want for myself, not an education, not freedom, not compatible friends, not love, not a chance to write." When Jill gets pregnant, her mother nearly kills her with a home-made abortion.

Growing up in the '50s was a sorry business, according to Marge Piercy. People thought in categories, everything was labeled, and men and women lived in what Aldous Huxley called a hostile symbiosis. Marriage for women was an excuse for identity; for men, it was a way of taming love. The title "Braided Lives" implies that only women achieve intimacy with one another.

Yet what an intimacy! It reaches its climax when Jill's cousin, comes to die in her apartment of a botched abortion. Or when Jill, fighting for Stephanie for possession of Howie, seizes her and kisses her in a sudden realization that they are more real than he is.

Most of "Braided Lives" takes place at a college where the women seem to study only men. Yet there is not a single decent man on the campus. They are all callow, chauvinistic, conceited, spoiled.

Solution to Friday's Puzzle

ATOMIZE	HEARTBEAT
CAKEBOX	ACQUIRE
OPALINE	STUDENT
REP	SECTS
RIA	AYREES
PRETENDER	MAMA
STRAFFED	AVENUE
ADRIENNE	SWEET
STOLEN	TUESDAY
HAYS	SPONDERS
ELENA	DOR
SHAVE	UDINE
UDINE	NOW
CAMERA	ELOCUQUE
OVERAGE	SELLVAGE
PENATES	TRAINED

Anatole Broyard is on the staff of The New York Times.

CHESS

By Robert Byrne

FTER four rounds of the 10th Reykjavik international tournament, Dimitry Gurevich, a 25-year-old international master from the Bronx, held the lead with a perfect 4-0 score.

Gurevich, who emigrated from the Soviet Union two years ago, defeated the Yugoslav champion, Grandmaster Bozidar Ivanić, in the fourth round.

International Master Helgi Olafsson of Iceland and International Master Lars Åke Schneider of Sweden shared second place with 3½-½ records in the 11-round Swiss-system event in which 54 competitors are entered.

In the first round, Grandmaster Fridrik Ólafsson of Iceland, the president of the International Chess Federation, saved a lost position against International Master Vitaly Zaitsev of Brooklyn by seizing the chance for a sudden, decisive mating attack.

After Zaitsev's 12...P-K5, 13 N-N5, P-QR3 there would have been no use retreating with 14 B-K2? because 14...B-B4; 15 P-B3, 15...PxP; 16 QxP, 16 QxP; 17 PxP, PxP; 14 NxP would give White superior or equal.

On 33...Q-K2, 34 Q-R5!, there was no defense by 34...P-N3; 35 PxP; 36 RxP, K-R1 (35...QxP; 37 QxP, K-R1; 38 R-R4); 37 R-B7, winning the queen.

Zaitsev's 17...B-N3! made sure that Black would retain control over his vital K-5 square — thus after 19...BxN, the White center was heavily blockaded.

The timing of Olafsson's 23 BxR? was incorrect; he should have played 23 QR-Q1, 24 RxR, Q-R4; 25 BrxR, RxR; 26 Q-N2, RxR; 27 BrxN, PxR; 28 R-N1, Q-K1; 29 K-B2, Q-K5; 30 QxP with a slight edge for Black after 30...P-QN4!

But Zaitsev also erred with 23...RxR, in place of 23...BxR; 24 RxR, Q-Q2; 25 R-B7, RxR, when the Black bishop would have dominated the position (26 B-N1!, Q-KN3).

On 26...QxP, Olafsson should have transposed into the hypothetical

NEERO-INDIAN DEFENSE

White	Black
1 P-QN4	1 P-KN3
2 P-QB4	2 P-KB4
3 P-Q5	3 P-K5
4 P-Q6	4 P-K6
5 P-Q7	5 P-K7
6 P-Q8	6 P-K8
7 P-Q9	7 P-K9
8 P-Q10	8 P-K10
9 P-Q11	9 P-K11
10 P-Q12	10 P-K12
11 P-Q13	11 P-K13
12 P-Q14	12 P-K14
13 P-Q15	13 P-K15
14 P-Q16	14 P-K16
15 P-Q17	15 P-K17
16 P-Q18	16 P-K18
17 P-Q19	17 P-K19
18 P-Q20	18 P-K20
19 P-Q21	19 P-K21
20 P-Q22	20 P-K22
21 P-Q23	21 P-K23
22 P-Q24	22 P-K24
23 P-Q25	23 P-K25
24 P-Q26	24 P-K26
25 P-Q27	25 P-K27
26 P-Q28	26 P-K28
27 P-Q29	27 P-K29
28 P-Q30	28 P-K30
29 P-Q31	29 P-K31
30 P-Q32	30 P-K32
31 P-Q33	31 P-K33
32 P-Q34	32

Cheeseborough, Hansen Set Marks at N.Y. Meet

United Press International

NEW YORK — Chandri cheeseborough broke her own world record in the women's 220-yard dash. Joan Hansen set a men's two-mile mark and new-one. Veronica Bell set a surprising U.S. record in the women's jump. Friday to highlight action at the U.S. Indoor Track and Field Championships, which lost any of its top stars at the last minute.

Even though Mary Decker Tabb was injured an unable to compete, world record was still established a thrilling women's two-mile

Hansen, Brenda Webb and Margaret Gross waged a tight duel and both broke the old record of 9:38.1 at last year by Francis Larrien.

Hansen won the race in 9:37.03 and Webb was second in 9:37.64, just edging Gross in 9:37.65. Larrien finished fourth in 9:44.85.

"I went out fast, but then I let the others do all the work," Hansen said after running the first two-mile race of her career.

"I can't be happier," cheeseborough, who set a world record of 23.27 in last year's meet, improved on that mark in the preliminary heats Friday with a time of 23.23. She later won the finals in the event in 23.46.

Bell, a virtual unknown who finished sixth in last year's championships, shattered the nine-year-old U.S. record with a jump of 21 feet, 1 1/4 inches. Kathy McMillan's 21-24 took second place.

Marta Watson had held the old record at 21-24.

Surprise

"I've been jumping over 21 feet practice but I'm just coming back from the fin," said Bell. "I thought I'd be in the top three and expected to be over 21 feet, but the record came as a surprise to me."

In other events, Stephanie Hightower edged Candy Young in the women's 60-yard hurdles. Evelyn Ashford nipped Jeannette Bolden in the women's 60-yard dash. Debbie Campbell won a sub-par men's hurdles in 7.13 seconds. Ron Brown took the men's dash in 6.14. Keith Connor won the triple jump at 55-11, and Don Paige took the men's 1,000 in 2:05.51.

Jim Spivey captured the men's mile in 3:57.04, Dwight Stoneson the men's high jump at 7-4 1/4, Billy Olson won the pole vault at 8-6 1/4, Coleen Riesstra won the women's high jump at 6-3 1/4, Fred Jowsey won the men's 600 in 9:50 and Cathie Twomey won the women's mile in 4:32.92.

Connor had held the indoor world record to the triple jump at 6-9 1/4 until Willie Banks broke it last week at San Diego with a leap of 57-1 1/4.

Banks finished third Friday, jumping only 54-11 1/4. "I'm surprised I beat Willie Banks," Connor said. "He's really in form."

Sharing's no Fun

Hightower and Young had finished to two world record setting head-to-head this year, and they were almost as inseparable this time. They were both timed in 7.38, just .01 off the last record they set, so Hightower was awarded the title for her lean at the tape.

"I was going for a world record," said the winner, "because you don't like to share anything."

A week ago, Ashford recorded a controversial world record of 6.48, when three of the six starters thought it was a false start and did not race. One of those who thought it was Bolden, who owned the former record of 6.60.

In Friday's race, Ashford left no doubt as she bolted from the start and sped to victory in 6.54, with Bolden second in 6.59.

In third place was Cheesebor-

ough in 6.62.

Several of the meet's top attractions were last minute switches. World record holder Renaldo Nehemiah withdrew from the men's 60-yard hurdles, citing fatigue from a television competition in Florida, a reason also given for the pullout of miler Sidney Maree.

Nehemiah's chief rival, Greg Foster, also pulled out because of a recurring leg injury. Brown was left to win when world record holder Stanley Floyd continued to suffer from a back and hamstring ailment and pulled out of the 60-yard dash and Carl Lewis withdrew from the same race to concentrate solely on the long jump.

Despite what he called a "diffi-

cult" runway, Lewis won that event and barely missed his world record of 28-1, which he set last month by leaping 28-1 1/2. He is the only man to have broken 28 feet indoors.

Spaniard Sets 600-Meter Mark

MADRID (AP) — Coleman Trabado of Spain set a world indoor best for 600 meters of 1 minutes, 17.2 seconds Saturday to a meet here. The previous mark, 1:17.3, was set by Milovan Savic of Yugoslavia Jan. 25, 1976.

Pole Vault Record

KANSAS CITY, Mo. (AP) — Billy Olson, on his third attempt, cleared 18 feet, 10 inches Saturday night and broke his own world indoor record in the pole vault during the NAIA Indoor Track and Field Championships, which lost any of its top stars at the last minute.

Even though Mary Decker Tabb was injured an unable to compete, world record was still established a thrilling women's two-mile



Associated Press
Joan Hansen couldn't quite believe it when her record-setting two-mile time of 9:37.03 was posted Friday night in New York.

Finn, 19, Wins Jump at Close of Nordic Games

From Agency Dispatches

OSLO — Matti Nykänen, a Finnish teenager, won the controversial 90-meter jump Sunday, the final day of the World Nordic Ski Championships.

Nykänen, 18, showed his talent when he exploded in a breathtaking first-round jump of 108.5 meters (355 feet, 9 inches). His second jump, of 102.3 meters, was enough for the title with a total of 257.9 points.

Olav Hansson — maintaining Norway's streak of winning at least one medal in each of the 13 events here — was silver medalist with 255.1 points, and Armin

Kopler of Austria was third with 244.7.

On Saturday, Thomas Wassberg powered his way through a light snow and sluggish course to win the 50-kilometer race.

Wassberg won Sweden's second gold medal of the competition in 2 hours, 32 minutes and 0.9 seconds.

Ulf Burakov of the Soviet Union was second in 2:32.47, with Lars Erik Ericson of Norway third in 2:32.49.

Wassberg, the gold medalist in the 15-kilometer race at the 1980 Olympics, had been 16th to the 30-kilometers a week ago and 18th in the 15-kilometer Tuesday. But he seemed to gain strength as he climbed his way over the tortuous, hilly course.

Sunday's jump competition took place amid thick fog and falling snow. The jury decided, after an hourlong debate, to go ahead — but the jumpers did not appear.

"This event is a pure gamble," said Norwegian Per Bergland, who finished 11th. "A joke," said teammate Johan Sætre.

The organizers did what they could to improve things, sending up an airplane to pour chemicals into the fog, but to little effect.

"I find it unbelievable I managed to win," said Nykänen, the reigning junior world champion. "I was nervous when the second round started and didn't feel safe. My advantage over Hansson was only one tenth of a point."

"But Nykänen, who gave his country its only gold of the games, controlled his nerves superbly. "I tried to think this was just one of those events at home," he said. "But it was difficult."

Norway won seven gold medals in the 10-day championships, including one shared with the Soviet Union. The Soviet Union and Sweden each won two, while Finland, Austria and East Germany shared the remaining titles.

Players in NHL Being Polled On Stiffer Rules for Fighting

By Dave Kindred
Washington Post Service

WASHINGTON — National Hockey League players soon will be asked if they want to abolish fighting.

At a meeting here during the all-star break two weeks ago, the NHL Players Association instructed the teams' union representatives to report in June with a sense of the membership on whether the union should press the league for measures to eliminate fighting.

Said Rick Green, the Washington Capital player representative: "It was brought up with the words 'abolishment of fighting,' and we reps were asked to get ideas from players on our teams."

Ambivalent

Green said he hasn't asked his teammates about it yet. Personally, he is like most hockey people, ambivalent on the subject.

He detests the game's goons. "Good players have to worry that some guy who can't play is out to intimidate them and throw them off their game. That's bad. You just can't have these goons running around doing their dumb acts. That's not hockey."

People who believe bockey teams use fights to sell tickets point out that "highlights" film clips provided by the teams to local TV sports departments often include fights.

Green's is a seemingly paradoxical belief that fighting is ugly and yet a necessary element of what can be a beautiful game. Fighting, he says, is better than a stick in the eye.

Let's say there are rules against fighting. Green says the frustrations, aggravations and cheap shots would still take place. And if a goon is going to be thrown out and fined, why should he go quietly with a simple little no-harm fist-fight?

Giving the linemen more authority to penalize such fouls as tripping and fighting, he says, would be a good first step toward controlling the officiating leap in and stop the fight?

"Because," said Green, a six-year veteran, an eminently sensible guy, "it's part of the game."

Part of the game is to rearrange someone's nostrils? "It's a release," Green said. "You may see only the fight. I can guarantee you that something preceded it — cheap shots, tripping the referee didn't see, aggravation that shouldn't be going on."

"Finally, when the referee doesn't do anything, you got to turn around and punch the guy."

So a punch is thrown, in a kind of vigilante action. Why does the official just stand there and let it happen?

"A stick in the eye or the throat or across the back of the neck."

"Some guys wouldn't think twice about spearing you in the stomach," Green said. "It takes a different breed to do that, but..."

The sentence was unfinished but understood.

Fights are forbidden in European hockey. Hockey there is all finesse. So we are led to believe. Green would wise us up.

"Fighting isn't allowed, but they can be pretty cruel with the sticks. It's finesse and fundamentals, no question about that, but a lot of the time, when they know they can't fight, they are going to stick you and hurt you."

"A stick in the eye or the throat or across the back of the neck."

"Some guys wouldn't think twice about spearing you in the stomach," Green said. "It takes a different breed to do that, but..."

The sentence was unfinished but understood.

Thomas Wassberg

... Winning the 50-kilometer.

NHL Standings

WALES CONFERENCE
Patrick Division

	W	L	T	GP	GA	PF
NY Islanders	32	14	7	29	197	181
NY Rangers	32	14	7	29	197	181
Philadelphia	32	14	7	29	197	181
Pittsburgh	32	14	7	29	197	181
Washington	32	14	7	29	197	181

Adams Division

	W	L	T	GP	GA	PF
Montreal	32	14	7	29	197	181
Buffalo	32	14	7	29	197	181
Boston	32	14	7	29	197	181
Quebec	32	14	7	29	197	181
Hartford	32	14	7	29	197	181

Service Division

	W	L	T	GP	GA	PF
Edmonton	32	14	7	29	197	181
Calgary	32	14	7	29	197	181
Vancouver	32	14	7	29	197	181
Colorado	32	14	7	29	197	181
Saskatchewan	32	14	7	29	197	181

Saskatchewan

Rangers' Results

	W	L	T	GP	GA	PF
NY Rangers	32	14	7	29	197	181
Montreal	32	14	7	29	197	181
Philadelphia	32	14	7	29	197	181
Pittsburgh	32	14	7	29	197	181
Washington	32	14	7	29	197	181

